

CONTENTS

| | |
|---|-------------|
| <u>Introduction</u> | (i)-(iv) |
| <u>Service Reporting Code of Practice for Local Authorities</u> (previously known as Best Value Accounting Code of Practice) | (v) |
| <u>Budget Summary</u> | (vi) |
| <u>Council Tax Information</u> | (vii) |
| <u>Description of Codes and Headings</u> | (viii)-(xi) |
| <u>Detailed Budgets</u> | |
| Corporate and Central Expenditure (Salmon Sheet) | 1 |
| Legal and Democratic (Pink Sheet) | 2 |
| Human Resources (Lemon Sheet) | 3 |
| Finance and Performance (Lilac Sheet) | 4 |
| Information Systems (Bright Green Sheet) | 5 |
| Repairs and Maintenance (Orange Sheet) | 6 |
| Housing and Public Protection (Light Blue Sheet) | 7 |
| Housing Revenue Account (Dark Blue Sheet) | 8-9 |
| Adult Social Services (Yellow Sheet) | 10 |
| Learning and Achievement (Grey Sheet) | 11 |
| Prevention and Inclusion (Grey Sheet) | 12 |
| Safeguarding and Support (Grey Sheet) | 13 |
| Leisure, Libraries and Culture (Green Sheet) | 14 |
| Transportation and Asset Management (Mid Blue Sheet) | 15 |
| Economic Development (Cream Sheet) | 16 |
| Planning (Peach Sheet) | 17 |
| Environment (Gold Sheet) | 18 |
| <u>Management of Key Risks</u> | 19 |
| <u>Treasury Management Strategy Statement</u> | 20 |

WREXHAM COUNTY BOROUGH COUNCIL

2011/12 BUDGET

**Report of
Chief Finance & Performance Officer**

BACKGROUND

1. The local authority budget planning process in Wrexham, as elsewhere, requires an early view to be taken about the Council's budget prospects based on national economic indicators and government planning totals for local authority spending.
2. The budget planning process for 2011/12 was agreed and a review of the Council's financial prospects were considered by the Council's Executive Board in June 2010. In view of the anticipated significant spending reductions over the medium term service reviews, which involved each service undertaking a strategic review of their operations, took place during the period to July 2010. The service reviews identified savings which were challenged by the Council's Transformation Programme team and Lead Members.
3. The medium term financial plans have been developed using the following parameters:
 - An assumed reduction in grant funding of 1.2% in 2011-12 followed by increases of 0.24% and 1.3% in 2012-13 and 2013-14 respectively.
 - Estimated inflation assumptions:
 - teachers' pay award of 1% for 2011-12, 0% for 2012-13 and 1.5% for 2013-14.
 - non-teachers' pay award of 0% for 2011-12 and 2012-13, 1.5% for 2013-14.
 - price increases of around 2.5% for 2011-12, 3% for 2012-13 and 2013-14.
 - That the unhypothecated Outcome Agreement grant will be received in all three years.
 - Known unavoidable commitments
4. The medium term financial plan will be reviewed on a periodic basis.

Review of the Current Year 2010/11

5. The budget for the year was cash limited at £208,296,174
6. The budget has been closely monitored and controlled during the year in accordance with the procedures approved by Council. A number of service pressures and increased costs were identified early in the financial year and it was agreed by the Executive Board that action should be taken by officers to control spending and to keep service spending within the approved cash limited budget totals.
7. All budgets will continue to be carefully scrutinised in accordance with the agreed procedures and the actual outturn will be reported in the summer. In accordance with the rules of cash limited budgeting, any over or underspending may be carried forward to 2011/12.

Welsh Assembly Government (WAG) Revenue Settlement

8. The grant allocation for individual authorities is dependant on the standard spending assessment (SSA) formula. For 2011/12 there are no significant changes to the formula.
9. The WAG announced its provisional revenue settlement details for local authorities on 23 November 2010. The provisional settlement gave local authorities on average a 1.4% grant decrease, which was slightly better than anticipated. WAG announced its final revenue settlement for 2011/12 on 2 February 2010 and was broadly unchanged on the provisional settlement.
10. The Local Government Finance Act 1992 gives the Minister for Social Justice and Local Government, power to limit or cap the budget requirement of any local authority, which he considers to be excessive. The Minister has made no announcement relating to assumptions about the Council's spending level for 2011/12. The Council's standard spending assessment, the notional assessment for grant distribution purposes of the Council's need to spend on its services, totalled £210,172,950.

2011/12 Budget

11. The budget for next year as outlined on page (vi) has been built up in accordance with the framework agreed by Council. The budget in the current year (i.e. the cash limited budget amended for the transfers of grants into the Revenue Support grant) has been adjusted for the cost of inflation, unavoidable commitments and savings.
12. The total net revenue expenditure is estimated at £208,608,688 and represents a reduction of £302,615 (0.16%) of the current year's adjusted net revenue budget. Page (vi) also demonstrates the Council's budget requirement at £207,237,342.
13. It is a requirement of the Local Government Act 2003 that I should report to members on the robustness of the estimates made for the purpose of calculating the net budget requirement. I should therefore draw your attention to a number of key risk areas that I have identified in the budget and how these may be managed. These are outlined on page 19. Issues relating to these key risks will be reported to members during the forthcoming year as necessary as part of the budget monitoring and control procedures.

Reserves and Balances

14. A local authority requires a prudent level of working balances to maintain adequate cash flow, especially during the first part of the financial year prior to the receipt of council tax income, and to meet unforeseen expenditure.
15. There are no planned contributions to balances for 2011/12. However, I am satisfied that the level of balances and reserves is adequate for the forthcoming financial year and the authority's medium term financial strategy.
16. There is still uncertainty on the impact of energy inflation costs on the Council's budget.

(iii)

17. An analysis of the Council's key estimated earmarked reserves and balances for the year ahead is as follows:

| | Actual Balance at 1 April 2010 £k | Estimated Balance at 1 April 2011 £k | Movement in year £k | Estimated Balance at 31 March 2012 £k |
|--|--|---|------------------------------------|--|
| Council Fund Balance | 7,018 | 7,435 | 0 | 7,435 |
| School Balances | 948 | 526 | 0 | 526 |
| Service Reserves | 590 | 477 | (336) | 141 |
| Other Earmarked Reserves | 11,684 | 10,827 | (618) | 10,209 |
| Total Balances and Reserves | 20,240 | 19,265 | (954) | 18,311 |

18. The estimated balances at 1 April 2010 in the table above are based on the best estimates available at the time of writing the report. The movement in the Council Fund balance includes the reported position in the current year. The reported position will change following the closure of the 2010/11 accounts and will be reported to members as part of the outturn report after the end of the financial year. Of the 2011/12 in year planned movement on service reserves of £336k none will be used to fund recurrent expenditure.

19. The above analysis does not assume any use of general balances for back pay liabilities following the Single Status and Equal Pay review. If these or any other liabilities exceeded the earmarked allocations then clearly these general balances would be called on.

Income

20. **Revenue Income Support Grant** – The County Borough's share of the final Revenue Support Grant has been set at £129,777,826.

21. **Business Rates** – The Assembly has set the business rate poundage for 2011/12 at 42.8p in the £. The County Borough's share of national non-domestic rate income in 2011/12 is £31,360,804.

22. **Outcome Agreement Grant** – This grant has been distributed to all local authorities on the basis of current standard spending assessments and this Council's share is £1,291,346.

23. In total the Council will receive general grants from the WAG of £162,429,976.

Council Tax

24. After taking account of the general grants and contribution from balances, the balance of net expenditure totalling £46,178,712 remains to be funded by council taxpayers.

25. It is proposed to charge as a special expense part of the cost of footway lighting to the four community areas within the town (£4.13 at band D).

(iv)

26. After adjusting for special expenses of £66,425 the balance to be found as general expenses from council taxpayers is £46,112,287.
27. The council tax base calculation was agreed by the Executive Board on 17 November 2009 for 2010/11, as 51,880 band D equivalent properties after allowing for:
- band reductions for the disabled
 - exempt properties
 - single occupier discounts
 - double discounts on unoccupied properties
 - factors to reflect the relative charge at different bands
 - the estimated collection rate
 - contributions in lieu from Ministry of Defence

The overall tax base is built up from the same calculations for each of the 34 community areas and the “band D equivalents” are shown on page (vii).

28. Dividing the balance of net expenditure (£46,178,712) by the tax base of 51,880 will give a £890.11 charge to be borne by a full-paying household whose home is valued at band D. For band A property the charge is six ninths of this figure through to band I properties where the charge is twenty one ninths of the band D figure. In many cases these figures will be adjusted for disabled and other discounts and, of course, for council tax benefit.
29. Page (vii) sets out the council tax rate for the band D taxpayer for each community council area and shows that when the police authority’s precept is included, the total average council tax at band D for 2011/12 is £1,135.42.

CONCLUSION

30. Although the financial settlement for 2011/12 has meant a reduction in the Council’s overall budget for 2011/12, every effort has been made to protect social care services and schools.
31. The Local Government Act 2003 requires the Council to monitor its budget and to take appropriate action. The budget will therefore require close monitoring and control during the year and the financial position will need to be kept continuously under review.
32. Finally, I remain very grateful to all Members and Officers for their assistance, co-operation and hard work in helping to prepare this budget.

M S OWEN
CHIEF FINANCE AND PERFORMANCE OFFICER

SERVICE REPORTING CODE OF PRACTICE FOR LOCAL AUTHORITIES

1. The cash limited budgets in column (j) on page (vi) have been recast to comply with the Service Reporting Code of Practice for Local Authorities (SeRCOP). This has a particular impact on central costs and support services.
2. Both central and departmental support costs have had to be fully recharged to the services which they support. This is reflected in the addition of column (k) on page (vi) and in the body of the budget pages.
3. It should be noted that Legal & Democratic, Human Resources, Finance & Performance, Information Systems, Repairs & Maintenance and Property Consultancy / Asset Management / School Transportation within Transport & Asset Management are fully recharged and show net budgets of nil.
4. As part of the Code, the central costs have been re-arranged into:
 - Corporate & Democratic Core (including Democratic Representation & Management and Corporate Management)
 - Non Distributed Costs (including Past Service Costs and costs associated with unused shares of IT facilities)
 - Central Services to the Public (including Council Tax collection costs, Coroners, Electoral Registration etc.)
 - Other Operating Income & Expenditure (including levies from other bodies and capital financing).
5. Obviously, these are extremely significant changes but the underlying spending power of services remains exactly as approved by Council. One of the primary purposes of the change is to permit greater inter-authority comparability in the future.

2011/12 Revenue Budget Summary

| | 2010/2011 Cash Limited | | 2010/2011 Cash Limited | | Unavoidable Commitments | New Responsibilities | Full Year Part III Savings | | | 2011/2012 | |
|---|---------------------------|-------------------------|---------------------------|------------------|----------------------------|-------------------------|----------------------------|-------------------|--------------------|------------------------|--------------------|
| | Budget | Functional Transfers | Budget after transfers | Inflation | | | Pay | Car Allowances | Service Savings | Cash Limited Budget | Recast Budget |
| | (a) £ | (b) £ | (c) £ | (d) £ | | | (e) £ | (f) £ | (g) £ | (h) £ | (i) £ |
| 1 Environment | 23,981,157 | 0 | 23,981,157 | 1,035,129 | 300,000 | 0 | (34,945) | (11,775) | (1,240,069) | 24,029,497 | 23,849,451 |
| 2 Adult Social Services | 38,720,953 | 127,704 | 38,848,657 | 1,040,299 | 900,000 | 678,421 | (320,833) | (42,822) | (1,129,000) | 39,974,722 | 39,975,999 |
| 3 Housing & Public Protection | 3,955,784 | 45,454 | 4,001,238 | 309,962 | 0 | 0 | 0 | (15,870) | (440,000) | 3,855,330 | 5,675,222 |
| 4 CYP - Schools | 68,270,741 | 914,204 | 69,184,945 | 1,011,704 | 0 | 0 | 0 | 0 | 0 | 70,196,649 | 70,196,649 |
| 5 CYP - Non Delegated schools | 3,537,260 | (914,204) | 2,623,056 | 254,890 | 0 | 0 | 0 | (9,698) | (191,000) | 2,677,248 | 19,563,987 |
| 6 CYP - Prevention & Inclusion | 6,957,738 | 250,000 | 7,207,738 | 238,324 | 0 | 0 | 0 | (21,065) | (423,000) | 7,001,997 | 7,434,353 |
| 7 CYP - Safeguarding & Support | 10,899,206 | 216,971 | 11,116,177 | 283,107 | 300,000 | 0 | (4,897) | (15,472) | 0 | 11,678,915 | 12,117,524 |
| 8 Leisure, Libraries & Culture | 5,398,707 | 0 | 5,398,707 | 159,585 | 0 | 0 | (30,242) | (4,353) | (411,000) | 5,112,697 | 8,149,048 |
| 9 Economic Development | 1,947,932 | 0 | 1,947,932 | 187,529 | 0 | 0 | (684) | (19,014) | (277,000) | 1,838,763 | 4,051,055 |
| 10 Planning | 1,312,380 | 0 | 1,312,380 | 49,398 | 0 | 0 | 4,432 | (7,058) | (200,000) | 1,159,152 | 1,222,521 |
| 11 Transportation & Asset Management | 3,164,155 | 0 | 3,164,155 | 74,085 | 0 | 0 | (12,748) | (11,112) | (546,931) | 2,667,449 | 627,255 |
| 12 Finance & Performance | 4,787,087 | 0 | 4,787,087 | 107,016 | 0 | 0 | 0 | (6,479) | (290,000) | 4,597,624 | 0 |
| 13 Information Systems | 2,728,600 | 0 | 2,728,600 | 62,979 | 0 | 0 | 0 | (2,435) | (200,000) | 2,589,144 | 0 |
| 14 Legal & Democratic | 1,916,544 | 0 | 1,916,544 | 42,927 | 0 | 0 | 0 | (1,042) | (73,000) | 1,885,429 | 0 |
| 15 Human Resources | 1,305,947 | 0 | 1,305,947 | 31,345 | 0 | 0 | 0 | (1,283) | 0 | 1,336,009 | 0 |
| 16 Repairs & Maintenance | 2,012,901 | 0 | 2,012,901 | 50,323 | 0 | 0 | 0 | 0 | 0 | 2,063,224 | 0 |
| 17 Total Net Service Expenditure | 180,897,092 | 640,129 | 181,537,221 | 4,938,602 | 1,500,000 | 678,421 | (399,917) | (169,478) | (5,421,000) | 182,663,849 | 192,863,064 |
| 18 Corporate and Central Expenditure | 27,399,082 | 0 | 27,399,082 | 15,070 | 0 | 0 | (353,082) | (1,231) | (1,115,000) | 25,944,839 | 15,745,624 |
| 19 TOTAL NET EXPENDITURE | 208,296,174 | 640,129 | 208,936,303 | 4,953,672 | 1,500,000 | 678,421 | (752,999) | (170,709) | (6,536,000) | 208,608,688 | 208,608,688 |
| Funded by: | | | | | | | | | | | |
| Revenue Support Grant | 125,114,269 | | | | | | | | | | 129,777,826 |
| Non Domestic Rates | 37,293,748 | | | | | | | | | | 31,360,804 |
| Outcome Agreement Grant | 1,284,567 | | | | | | | | | | 1,291,346 |
| Council Tax Income | 44,603,590 | | | | | | | | | | 46,178,712 |
| TOTAL INCOME | 208,296,174 | | | | | | | | | | 208,608,688 |
| Net Expenditure Budget | 208,296,174 | | | | | | | | | | 208,608,688 |
| Less: Improvement Agreement Grant | (1,284,567) | | | | | | | | | | (1,291,346) |
| Discretionary Rate Relief | (80,000) | | | | | | | | | | (80,000) |
| Budget Requirement | 206,931,607 | | | | | | | | | | 207,237,342 |

WREXHAM COUNTY BOROUGH COUNCIL**COUNCIL TAX INFORMATION 2011-12**

| Tax Base | Community | WCBC General Expenses | WCBC Special Expenses | N Wales Police Precept | Community Precepts | TOTAL |
|-----------------|-----------------------------|------------------------------|------------------------------|-------------------------------|---------------------------|-----------------|
| 487 | Abenbury | 888.83 | | 209.34 | 24.64 | 1,122.81 |
| 5,817 | Acton | 888.83 | 4.13 | 209.34 | 15.82 | 1,118.12 |
| 597 | Bangor Isycoed | 888.83 | | 209.34 | 26.29 | 1,124.46 |
| 631 | Bronington | 888.83 | | 209.34 | 15.06 | 1,113.23 |
| 2,599 | Broughton | 888.83 | | 209.34 | 23.09 | 1,121.26 |
| 1,813 | Brymbo | 888.83 | | 209.34 | 38.03 | 1,136.20 |
| 3,724 | Caia Park | 888.83 | 4.13 | 209.34 | 56.00 | 1,158.30 |
| 2,196 | Cefn | 888.83 | | 209.34 | 50.48 | 1,148.65 |
| 161 | Ceiriog Ucha | 888.83 | | 209.34 | 6.21 | 1,104.38 |
| 1,657 | Chirk | 888.83 | | 209.34 | 53.50 | 1,151.67 |
| 1,695 | Coedpoeth | 888.83 | | 209.34 | 82.26 | 1,180.43 |
| 217 | Erbistock | 888.83 | | 209.34 | 5.07 | 1,103.24 |
| 1,377 | Esclusham | 888.83 | | 209.34 | 53.56 | 1,151.73 |
| 374 | Glyntraian | 888.83 | | 209.34 | 35.36 | 1,133.53 |
| 2,583 | Gresford | 888.83 | | 209.34 | 27.64 | 1,125.81 |
| 3,742 | Gwersyllt | 888.83 | | 209.34 | 29.40 | 1,127.57 |
| 364 | Hanmer | 888.83 | | 209.34 | 6.87 | 1,105.04 |
| 802 | Holt | 888.83 | | 209.34 | 28.05 | 1,126.22 |
| 201 | Isycoed | 888.83 | | 209.34 | 49.25 | 1,147.42 |
| 850 | Llangollen Rural | 888.83 | | 209.34 | 31.41 | 1,129.58 |
| 477 | Llansantffraid Glyn Ceiriog | 888.83 | | 209.34 | 46.12 | 1,144.29 |
| 1,745 | Llay | 888.83 | | 209.34 | 38.68 | 1,136.85 |
| 615 | Maelor South | 888.83 | | 209.34 | 12.50 | 1,110.67 |
| 598 | Marchwiel | 888.83 | | 209.34 | 33.44 | 1,131.61 |
| 703 | Minera | 888.83 | | 209.34 | 23.00 | 1,121.17 |
| 3,849 | Offa | 888.83 | 4.13 | 209.34 | 44.17 | 1,146.47 |
| 680 | Overton | 888.83 | | 209.34 | 54.15 | 1,152.32 |
| 1,111 | Penycae | 888.83 | | 209.34 | 48.78 | 1,146.95 |
| 2,708 | Rhosddu | 888.83 | 4.13 | 209.34 | 8.12 | 1,110.42 |
| 3,245 | Rhosllanerchrugog | 888.83 | | 209.34 | 57.78 | 1,155.95 |
| 1,737 | Rossett | 888.83 | | 209.34 | 20.21 | 1,118.38 |
| 1,747 | Ruabon | 888.83 | | 209.34 | 45.79 | 1,143.96 |
| 306 | Sesswick | 888.83 | | 209.34 | 9.80 | 1,107.97 |
| 472 | Willington / Worthenbury | 888.83 | | 209.34 | 13.98 | 1,112.15 |
| 51,880 | Total / Average | 888.83 | 1.28 | 209.34 | 35.97 | 1,135.42 |

NOTE: Tax Base = Band "D" Equivalent for a full Council Taxpayer

Description of Codes and Headings used in the Budget Book

| <u>Service</u> | <u>Description</u> | <u>Includes</u> |
|------------------------|---------------------------|--|
| Employee Costs | Total Pay | Chief Officers, Management & Administration, Teachers, Caretakers, Cleaners etc. Gross Pay, Overtime, Employer's Contribution, N.I. & Superannuation |
| | Other Employee Costs | Training Costs, Expenses, Contributions, Advertising, Detriment etc. |
| Premises Costs | Repairs & Maintenance | Building Repairs & Maintenance Grounds Maintenance |
| | Housing Repairs | Painting etc. |
| | Energy Costs | Electric, Gas, Oil, Fuel etc. |
| | Rent and Rates | Rent, NNDR & Council Tax |
| | Water Services | Water Rates, Sewerage etc. |
| | Fixtures & Fittings | Purchases, Rentals & Leases |
| | Operational Expenditure | Premises Costs - Security etc. |
| | Cleaning Expenditure | Building & Window Cleaning Cleaning Contractors, Supplies - Chemicals etc. Waste Removal, Skip Hire, Pest Control |
| Transport Costs | Direct Vehicle Costs | Vehicle/Plant Purchase or Lease Costs Vehicle/Plant Repairs & Maintenance Contract Hire MOT Tests, Licences, Parts, Running Costs - Petrol, Oil etc. |
| | Transport Recharges | Vehicle/Plant Recharges |
| | Hire & Operational Leases | Hire/Leasing Costs Excess Charges |
| | Car Allowances | Essential/Casual User Costs Lease Contributions |
| | Transport Insurance | Transport Insurance & Insurance Excess |

Description of Codes and Headings used in the Budget Book**Supplies & Services**

| | |
|------------------------------|---|
| Equipment & Materials | Equipment Purchase & Leasing Equipment Repairs & Maintenance General Materials including First Aid supplies, floral decorations and other specialist items depending on the service |
| Catering Expenditure | Catering Supplies, Services & Groceries Bar Supplies Vending Supplies |
| Clothing/Laundry Expenses | Protective Clothing & Uniforms Laundry |
| Office Expenses | Printing Photocopying Stationery - General and Specialist Books, Periodicals, General Publications etc. Microfilm/Microfiche |
| Professional Fees & Services | Consultancy Fees Legal Fees Licence Fees Other Professional Fees Exam/Course Fees General Hire Fees |
| Communications & Computing | Postage Costs Phone Costs - Central, Mobile, Pager etc. Computer Purchase/Maintenance/Recharges Software/Hardware Costs Computer Stationery/Consumables CCTV Costs |
| Expenses & Subsistence | General Subsistence Travelling Expenses Credit Card Recharges Child Minding Fees |
| Grants & Subscriptions | Grants & Subscriptions |
| Financial Provisions | Provisions - Bad Debts, Losses etc. |
| Miscellaneous | Insurance Costs Advertising/Marketing Costs Hospitality Costs Bank Charges, Audit Fees & Cash Collection |

(x)

Description of Codes and Headings used in the Budget Book

3rd Party Payments

| | |
|-------------------------|--|
| Other Authority Charges | Other Authorities, Community Councils, Joint Agreements |
| Health Charges | Local Health Board North Wales Trust |
| Voluntary Organisations | Payments under Service Level Agreements |
| Private Contractors | Payments under Contracts |
| Other Agencies | Staff Agencies Other Agencies Engineers Fees |

Transfer Payments

| | |
|---------------------|---------------------------------|
| Rent Allowances | Benefit Payments & Scholarships |
| Council Tax Benefit | Housing Benefit Rent Allowances |

Support Services

| | |
|--------------------------------|---|
| Central Support Services | Finance/IS Recharges Human Resources Recharges Legal Recharges Property Design Recharges Public Offices Recharges Central Training & Translation Recharges Security Recharges, Insurance Repairs & Maintenance Recharges |
| Departmental Support Services | Departmental Administration Recharges |
| Outside General Fund Recharges | Recharges from Outside General Fund |

Capital Financing

| | |
|------------------------|--|
| Capital Finance Charge | Depreciation, Impairment |
| Debt Charges | Interest Payments Minimum Revenue Provision |
| Premiums | Premiums on Debt Restructuring |

Description of Codes and Headings used in the Budget Book**Income**

| | |
|---------------------------------|---|
| Government Grants | Central Government Grants Welsh Assembly Grants European Grants Housing Subsidy |
| Other Grants & Contributions | Other Grants Other Contributions Recharges - Outside Bodies, Other Services, Public, Departmental etc. |
| Customer Receipts | General Sales Catering/Bar Sales Commission Miscellaneous Income |
| Fees & Charges | General Fees Fines & Court Costs Admissions etc. Car Park Income Membership Fees Home/Day Care Charges Cremation Fees |
| Rent & Lettings | Rent Sporting Rights Facility Hire Storage Hire |
| Interest Received | Interest Received |
| Recharges | Central Support Recovery Departmental Support Recovery Education - School Support Recovery |
| Corporate & Central Expenditure | Recharges to Corporate and Democratic Core Non Distributed Costs Central Services to the Public Advice to Members |

Corporate & Central

BUDGET SUMMARY

CASH LIMITED BUDGET

RECAST

| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
|----------------------------|--|-------------------|-------------------|-------------------|
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | CORPORATE AND DEMOCRATIC CORE | 4,245,244 | 4,250,537 | 3,854,780 |
| | NON DISTRIBUTED COSTS | 3,562,558 | 2,119,476 | 2,129,669 |
| | CENTRAL SERVICES TO THE PUBLIC | 206,608 | 245,154 | 1,191,897 |
| | OTHER OPERATING INCOME AND EXPENDITURE | 19,384,672 | 19,329,672 | 345,757 |
| | MOVEMENT IN PENSION RESERVE | 0 | 0 | 8,223,521 |
| | TOTAL BUDGET | 27,399,082 | 25,944,839 | 15,745,624 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|-------------------|-------------------|--------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 879,259 | 886,245 | 815,539 |
| TRANSPORT COSTS | 22,108 | 20,877 | 20,877 |
| SUPPLIES & SERVICES | 6,544,216 | 5,114,218 | 13,333,963 |
| 3RD PARTY PAYMENTS | 8,360,398 | 8,385,577 | 8,385,577 |
| TRANSFER PAYMENTS | 80,000 | 80,000 | 80,000 |
| SUPPORT SERVICES | 17,875 | 17,875 | 2,645,276 |
| CAPITAL FINANCING | 12,639,293 | 12,556,330 | 12,001,833 |
| TOTAL EXPENDITURE | 28,543,149 | 27,061,122 | 37,283,065 |
| INCOME | | | |
| FEES, CHARGES & OTHER INCOME | -807,030 | -779,246 | -779,246 |
| RECHARGES | -337,037 | -337,037 | -20,758,195 |
| TOTAL INCOME | -1,144,067 | -1,116,283 | -21,537,441 |
| TOTAL BUDGET | 27,399,082 | 25,944,839 | 15,745,624 |

Legal & Democratic

BUDGET SUMMARY

CASH LIMITED BUDGET

RECAST

| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
|----------------------------|----------------------|------------------|------------------|-----------|
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | LEGAL AND DEMOCRATIC | 1,916,544 | 1,885,429 | 0 |
| | TOTAL BUDGET | 1,916,544 | 1,885,429 | 0 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|------------------|-------------------|-------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 2,431,940 | 2,446,670 | 2,223,568 |
| PREMISES COSTS | 66,139 | 66,139 | 66,139 |
| TRANSPORT COSTS | 28,703 | 20,245 | 20,245 |
| SUPPLIES & SERVICES | 381,645 | 366,358 | 366,358 |
| SUPPORT SERVICES | 0 | 0 | 1,343,271 |
| CAPITAL FINANCING | 0 | 0 | 5,004 |
| TOTAL EXPENDITURE | 2,908,427 | 2,899,412 | 4,024,585 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -314,208 | -318,308 | -318,308 |
| FEES, CHARGES & OTHER INCOME | -400,355 | -418,355 | -418,355 |
| RECHARGES | -277,320 | -277,320 | -3,287,922 |
| TOTAL INCOME | -991,883 | -1,013,983 | -4,024,585 |
| TOTAL BUDGET | 1,916,544 | 1,885,429 | 0 |

Human Resources

| BUDGET SUMMARY | | CASH LIMITED BUDGET | | RECAST |
|----------------------------|---------------------|---------------------|------------------|-----------|
| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | HUMAN RESOURCES | 1,305,947 | 1,336,009 | 0 |
| | TOTAL BUDGET | 1,305,947 | 1,336,009 | 0 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|------------------|------------------|-------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 1,411,877 | 1,425,222 | 1,304,614 |
| TRANSPORT COSTS | 5,554 | 4,271 | 4,271 |
| SUPPLIES & SERVICES | 55,522 | 55,522 | 55,522 |
| 3RD PARTY PAYMENTS | 0 | 18,000 | 18,000 |
| SUPPORT SERVICES | 0 | 0 | 362,370 |
| TOTAL EXPENDITURE | 1,472,953 | 1,503,015 | 1,744,777 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -25,024 | -25,024 | -25,024 |
| RECHARGES | -141,982 | -141,982 | -1,719,753 |
| TOTAL INCOME | -167,006 | -167,006 | -1,744,777 |
| TOTAL BUDGET | 1,305,947 | 1,336,009 | 0 |

Finance & Performance

| BUDGET SUMMARY | | CASH LIMITED BUDGET | | RECAST |
|----------------------------|-------------|---------------------|------------------|-----------|
| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| FINANCE | | 4,336,924 | 4,147,489 | 0 |
| PERFORMANCE | | 450,163 | 450,135 | 0 |
| TOTAL BUDGET | | 4,787,087 | 4,597,624 | 0 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|-------------------|-------------------|-------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 5,162,131 | 4,943,886 | 4,427,072 |
| PREMISES COSTS | 6,416 | 6,416 | 6,416 |
| TRANSPORT COSTS | 43,211 | 36,732 | 36,732 |
| SUPPLIES & SERVICES | 608,429 | 606,529 | 606,529 |
| SUPPORT SERVICES | 54,532 | 54,532 | 3,126,102 |
| TOTAL EXPENDITURE | 5,874,719 | 5,648,095 | 8,202,851 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -371,475 | -371,475 | -371,475 |
| FEES, CHARGES & OTHER INCOME | -402,343 | -365,182 | -365,182 |
| RECHARGES | -313,814 | -313,814 | -7,466,194 |
| TOTAL INCOME | -1,087,632 | -1,050,471 | -8,202,851 |
| TOTAL BUDGET | 4,787,087 | 4,597,624 | 0 |

Information Systems

| BUDGET SUMMARY | | CASH LIMITED BUDGET | | RECAST |
|----------------------------|---------------------|---------------------|------------------|-----------|
| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | INFORMATION SYSTEMS | 2,728,600 | 2,589,144 | 0 |
| | TOTAL BUDGET | 2,728,600 | 2,589,144 | 0 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|------------------|------------------|-------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 2,693,478 | 2,624,213 | 2,376,751 |
| PREMISES COSTS | 35,644 | 24,964 | 24,964 |
| TRANSPORT COSTS | 25,850 | 24,815 | 24,815 |
| SUPPLIES & SERVICES | 651,452 | 598,781 | 598,781 |
| SUPPORT SERVICES | 0 | 0 | 260,334 |
| CAPITAL FINANCING | 0 | 0 | 32,623 |
| TOTAL EXPENDITURE | 3,406,424 | 3,272,773 | 3,318,268 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -380,197 | -394,217 | -394,217 |
| FEES, CHARGES & OTHER INCOME | -75,726 | -67,511 | -67,511 |
| RECHARGES | -221,901 | -221,901 | -2,856,540 |
| TOTAL INCOME | -677,824 | -683,629 | -3,318,268 |
| TOTAL BUDGET | 2,728,600 | 2,589,144 | 0 |

Repairs & Maintenance

BUDGET SUMMARY

CASH LIMITED BUDGET

RECAST

| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
|----------------------------|-------------------------|------------------|------------------|-----------|
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | REPAIRS AND MAINTENANCE | 2,012,901 | 2,063,224 | 0 |
| | TOTAL BUDGET | 2,012,901 | 2,063,224 | 0 |

Analysis by Expenditure and Income

| | | | |
|--------------------------|------------------|------------------|-------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| PREMISES COSTS | 2,012,901 | 2,063,224 | 2,063,224 |
| TOTAL EXPENDITURE | 2,012,901 | 2,063,224 | 2,063,224 |
| INCOME | | | |
| RECHARGES | 0 | 0 | -2,063,224 |
| TOTAL INCOME | 0 | 0 | -2,063,224 |
| TOTAL BUDGET | 2,012,901 | 2,063,224 | 0 |

Housing & Public Protection

| BUDGET SUMMARY | | CASH LIMITED BUDGET | | RECAST |
|----------------------------|--------------------------|---------------------|------------------|------------------|
| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | HOUSING STRATEGY | 905,162 | 866,347 | 840,881 |
| | HOUSING BENEFIT | -1,304,667 | -1,126,377 | 323,485 |
| | PRIVATE SECTOR HOUSING | -74,127 | -142,046 | -18,733 |
| | HOMELESSNESS | 595,392 | 587,334 | 634,964 |
| | TRAVELLERS SITES | 123,055 | 83,421 | 115,385 |
| | FOOD / HEALTH & SAFETY | 696,019 | 752,988 | 832,667 |
| | HOUSING & PUBLIC HEALTH | 351,240 | 318,087 | 439,466 |
| | ENVIRONMENTAL PROTECTION | 417,733 | 396,529 | 487,114 |
| | TRADING STANDARDS | 659,497 | 596,765 | 740,806 |
| | DEPARTMENTAL SUPPORT | 326,809 | 310,807 | 0 |
| | LICENSING | 12,359 | -35,138 | 9,080 |
| | SUPPORTING PEOPLE | 1,247,312 | 1,246,613 | 1,270,107 |
| | TOTAL BUDGET | 3,955,784 | 3,855,330 | 5,675,222 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|--------------------|--------------------|--------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 4,183,571 | 3,954,373 | 3,573,384 |
| PREMISES COSTS | 425,607 | 477,007 | 477,007 |
| TRANSPORT COSTS | 159,393 | 154,730 | 154,730 |
| SUPPLIES & SERVICES | 766,747 | 788,894 | 788,894 |
| 3RD PARTY PAYMENTS | 241,141 | 176,390 | 176,390 |
| TRANSFER PAYMENTS | 38,864,768 | 40,076,387 | 40,076,387 |
| SUPPORT SERVICES | 86,486 | 86,791 | 2,835,352 |
| CAPITAL FINANCING | 0 | 0 | 174,985 |
| TOTAL EXPENDITURE | 44,727,713 | 45,714,572 | 48,257,129 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -39,644,934 | -40,514,140 | -40,514,140 |
| FEES, CHARGES & OTHER INCOME | -1,126,995 | -1,279,102 | -1,279,102 |
| RECHARGES | 0 | -66,000 | -788,665 |
| TOTAL INCOME | -40,771,929 | -41,859,242 | -42,581,907 |
| TOTAL BUDGET | 3,955,784 | 3,855,330 | 5,675,222 |

Housing Services

| BUDGET SUMMARY | REVISED | BUDGET |
|---|-------------------|-------------------|
| DESCRIPTION | 2010/2011 | 2011/2012 |
| SUMMARY HOUSING REVENUE ACCOUNT | | |
| | £ | £ |
| INCOME | | |
| DWELLING RENTS | 35,381,000 | 37,278,000 |
| NON-DWELLING RENTS | 854,000 | 903,000 |
| CHARGES FOR SERVICES AND FACILITIES | 178,000 | 183,000 |
| INTEREST | 35,000 | 35,000 |
| TOTAL INCOME | 36,448,000 | 38,399,000 |
| EXPENDITURE | | |
| SUPERVISION AND MANAGEMENT COSTS | 5,130,700 | 5,142,000 |
| COSTS OF VACATING HIGHTOWN FLATS | 400,000 | 0 |
| SPECIAL EXPENSES (GROUND MAINTENANCE ETC) | 367,000 | 310,000 |
| SHELTERED HOUSING - LANDLORD COSTS | 422,000 | 486,000 |
| CONTRIBUTION TO HOUSING REPAIRS ACCOUNT | 13,500,000 | 13,900,000 |
| HRA SUBSIDY PAYABLE | 11,149,000 | 11,061,000 |
| CAPITAL CHARGES | 1,290,000 | 1,225,000 |
| PROVISION FOR BAD & DOUBTFUL DEBTS | 150,000 | 150,000 |
| CONTRIBUTION TO CAPITAL PROGRAMME (CERA) | 3,750,000 | 5,500,000 |
| TOTAL EXPENDITURE | 36,158,700 | 37,774,000 |
| NET SURPLUS/-DEFICIT FOR THE YEAR | 289,300 | 625,000 |
| BALANCE BROUGHT FORWARD | 3,409,271 | 3,698,571 |
| BALANCE CARRIED FORWARD | 3,698,571 | 4,323,571 |

Housing Services

| BUDGET SUMMARY | REVISED | BUDGET |
|---|-------------------|-------------------|
| DESCRIPTION | 2010/2011 | 2011/2012 |
| SUMMARY HOUSING REPAIRS ACCOUNT | | |
| | £ | £ |
| INCOME | | |
| CONTRIBUTION FROM HOUSING REVENUE ACCOUNT | 13,500,000 | 13,900,000 |
| EXTERNAL RECHARGES | 100,000 | 70,000 |
| DEPARTMENTAL RECHARGES | 60,000 | 60,000 |
| COSTS CHARGED TO CAPITAL PROGRAMME | 670,000 | 680,000 |
| FURNISHED DWELLINGS | 25,000 | 25,000 |
| TOTAL INCOME | 14,355,000 | 14,735,000 |
| EXPENDITURE | | |
| REPAIRS | | |
| BUILDING MAINTENANCE | 5,200,000 | 5,426,200 |
| STORES | 1,550,000 | 1,391,000 |
| EXTERNAL CONTRACTORS | 3,950,000 | 4,150,000 |
| SUPPORT SERVICES | | |
| TRANSPORT & ASSET MANAGEMENT RECHARGE | 230,000 | 230,000 |
| REPAIRS | 1,261,200 | 1,198,900 |
| ASSET MANAGEMENT | 398,900 | 398,900 |
| PROPERTY & REPAIRS MANAGEMENT | 248,600 | 212,700 |
| REPAIRS CONTACT CENTRE | 223,000 | 233,500 |
| PAYMENTS ADMINISTRATION | 167,400 | 160,400 |
| HEATING & ELECTRICAL SERVICES | 560,700 | 556,500 |
| SURVEYORS | 542,500 | 532,500 |
| TOTAL EXPENDITURE | 14,332,300 | 14,490,600 |
| NET SURPLUS/-DEFICIT FOR THE YEAR | 22,700 | 244,400 |
| BALANCE BROUGHT FORWARD | 42,717 | 65,417 |
| BALANCE CARRIED FORWARD | 65,417 | 309,817 |

Adult Social Services

BUDGET SUMMARY

CASH LIMITED BUDGET

RECAST

| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
|----------------------------|--|-------------------|-------------------|-------------------|
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | OLDER PEOPLE | 18,340,846 | 18,316,972 | 19,309,009 |
| | PHYSICAL DISABILITY AND SENSORY IMPAIRMENT | 3,701,944 | 3,903,022 | 5,281,043 |
| | ADULT SERVICE MANAGERS / GENERIC SERVICES | -839,913 | -243,532 | -641,253 |
| | MENTAL ILLNESS | 2,517,207 | 2,552,997 | 3,652,717 |
| | LEARNING DISABILITIES | 11,104,198 | 11,360,312 | 12,342,269 |
| | COMMUNITY CARE PURCHASING | 0 | 15,320 | 32,214 |
| | SENIOR MANAGEMENT / SUPPORT SERVICES | 3,896,671 | 4,069,631 | 0 |
| | TOTAL BUDGET | 38,720,953 | 39,974,722 | 39,975,999 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|--------------------|-------------------|--------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 22,701,203 | 22,644,042 | 20,572,282 |
| PREMISES COSTS | 394,856 | 404,732 | 404,732 |
| TRANSPORT COSTS | 904,934 | 884,743 | 884,743 |
| SUPPLIES & SERVICES | 1,331,549 | 1,324,465 | 1,324,465 |
| 3RD PARTY PAYMENTS | 21,371,629 | 22,050,170 | 22,050,170 |
| TRANSFER PAYMENTS | 2,390,848 | 2,552,030 | 2,552,030 |
| SUPPORT SERVICES | 0 | 0 | 10,386,831 |
| CAPITAL FINANCING | 0 | 0 | 324,528 |
| TOTAL EXPENDITURE | 49,095,019 | 49,860,182 | 58,499,781 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -7,006,275 | -7,099,097 | -7,099,097 |
| FEES, CHARGES & OTHER INCOME | -3,367,791 | -2,786,363 | -2,786,363 |
| RECHARGES | 0 | 0 | -8,638,322 |
| TOTAL INCOME | -10,374,066 | -9,885,460 | -18,523,782 |
| TOTAL BUDGET | 38,720,953 | 39,974,722 | 39,975,999 |

Learning & Achievement

BUDGET SUMMARY

CASH LIMITED BUDGET

RECAST

| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
|----------------------------|----------------------------------|-------------------|-------------------|-------------------|
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | DELEGATED SCHOOL BUDGETS | 68,270,741 | 70,196,649 | 70,196,649 |
| | TOTAL FOR SCHOOLS | 68,270,741 | 70,196,649 | 70,196,649 |
| | NON DELEGATED SCHOOL BUDGETS | 71,749 | -885,803 | 11,537,572 |
| | BUILDING CLEANING | 12,163 | 10,362 | -5,790 |
| | CATERING | -494,438 | -243,224 | -234,925 |
| | FREE BREAKFAST | 0 | 0 | 41,030 |
| | LEARNING & ACHIEVEMENT (0 - 11) | 1,750,032 | 1,754,645 | 2,988,861 |
| | LEARNING & ACHIEVEMENT (12 - 19) | 1,201,660 | 1,204,708 | 4,776,094 |
| | SUPPORTING ACHIEVEMENT | 581,494 | 421,960 | 0 |
| | BETTER SCHOOLS FUND | 414,600 | 414,600 | 461,145 |
| | TOTAL FOR NON SCHOOLS | 3,537,260 | 2,677,248 | 19,563,987 |
| | TOTAL BUDGET | 71,808,001 | 72,873,897 | 89,760,636 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|--------------------|--------------------|--------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 68,848,747 | 70,333,528 | 69,126,397 |
| PREMISES COSTS | 4,236,466 | 3,901,779 | 3,901,779 |
| TRANSPORT COSTS | 182,024 | 182,774 | 182,774 |
| SUPPLIES & SERVICES | 8,156,080 | 8,048,344 | 8,048,344 |
| 3RD PARTY PAYMENTS | 4,529,326 | 3,538,326 | 3,538,326 |
| TRANSFER PAYMENTS | 98,663 | 98,663 | 98,663 |
| SUPPORT SERVICES | 2,940,069 | 4,703,217 | 14,377,962 |
| CAPITAL FINANCING | 0 | 0 | 9,161,676 |
| TOTAL EXPENDITURE | 88,991,375 | 90,806,631 | 108,435,921 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -11,817,155 | -11,651,564 | -11,651,564 |
| FEES, CHARGES & OTHER INCOME | -3,093,969 | -2,361,216 | -2,361,216 |
| RECHARGES | -2,272,250 | -3,919,954 | -4,662,505 |
| TOTAL INCOME | -17,183,374 | -17,932,734 | -18,675,285 |
| TOTAL BUDGET | 71,808,001 | 72,873,897 | 89,760,636 |

Prevention & Inclusion

BUDGET SUMMARY

CASH LIMITED BUDGET

RECAST

| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
|----------------------------|-----------------------------------|------------------|------------------|------------------|
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | BUSINESS SUPPORT TEAM | 160,314 | 203,424 | 160,154 |
| | CYMORTH | 0 | 222,590 | 268,391 |
| | PERFORMANCE SUPPORT & DEVELOPMENT | 1,074,327 | 974,327 | 538,126 |
| | CHILD & FAMILY INCLUSION | 1,045,498 | 982,765 | 1,061,630 |
| | EDUCATION INCLUSION SERVICE | 2,818,717 | 2,720,787 | 2,964,926 |
| | YOUTH JUSTICE SERVICE | 577,317 | 582,850 | 622,630 |
| | YOUNG PEOPLE INCLUSION SERVICE | 1,281,565 | 1,315,254 | 1,818,496 |
| | TOTAL BUDGET | 6,957,738 | 7,001,997 | 7,434,353 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|-------------------|-------------------|-------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 10,046,648 | 9,997,004 | 9,290,903 |
| PREMISES COSTS | 248,825 | 262,930 | 262,930 |
| TRANSPORT COSTS | 264,744 | 274,470 | 274,470 |
| SUPPLIES & SERVICES | 2,688,628 | 2,701,785 | 2,701,785 |
| 3RD PARTY PAYMENTS | 440,662 | 450,333 | 450,333 |
| SUPPORT SERVICES | 310,866 | 310,866 | 2,479,161 |
| CAPITAL FINANCING | 0 | 0 | 319,550 |
| TOTAL EXPENDITURE | 14,000,373 | 13,997,388 | 15,779,132 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -4,732,636 | -4,668,038 | -4,668,038 |
| FEES, CHARGES & OTHER INCOME | -60,537 | -61,609 | -61,609 |
| RECHARGES | -2,249,462 | -2,265,744 | -3,615,132 |
| TOTAL INCOME | -7,042,635 | -6,995,391 | -8,344,779 |
| TOTAL BUDGET | 6,957,738 | 7,001,997 | 7,434,353 |

Safeguarding & Support

| BUDGET SUMMARY | | CASH LIMITED BUDGET | | RECAST |
|----------------------------|----------------------------------|---------------------|-------------------|-------------------|
| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | CORPORATE PARENTING | 7,440,144 | 7,847,915 | 8,405,769 |
| | FAMILY SUPPORT | 1,544,982 | 1,853,651 | 2,220,151 |
| | SAFEGUARDING | 915,313 | 958,125 | 1,192,503 |
| | CENTRAL SAFEGUARDING AND SUPPORT | 998,767 | 1,019,224 | 299,102 |
| | TOTAL BUDGET | 10,899,206 | 11,678,915 | 12,117,525 |

Analysis by Expenditure and Income

| | £ | £ | £ |
|------------------------------|-------------------|-------------------|-------------------|
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 4,781,979 | 4,990,210 | 4,659,966 |
| PREMISES COSTS | 17,441 | 17,699 | 17,699 |
| TRANSPORT COSTS | 224,851 | 269,542 | 269,542 |
| SUPPLIES & SERVICES | 1,366,155 | 1,700,632 | 1,700,632 |
| 3RD PARTY PAYMENTS | 3,529,188 | 3,649,566 | 3,649,566 |
| TRANSFER PAYMENTS | 1,817,133 | 1,888,807 | 1,888,807 |
| SUPPORT SERVICES | 0 | 0 | 1,741,238 |
| CAPITAL FINANCING | 0 | 0 | 37,084 |
| TOTAL EXPENDITURE | 11,736,747 | 12,516,456 | 13,964,534 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -837,541 | -837,541 | -837,541 |
| RECHARGES | 0 | 0 | -1,009,468 |
| TOTAL INCOME | -837,541 | -837,541 | -1,847,009 |
| TOTAL BUDGET | 10,899,206 | 11,678,915 | 12,117,525 |

Leisure, Libraries & Culture

| BUDGET SUMMARY | | CASH LIMITED BUDGET | | RECAST |
|----------------------------|-------------------------------|---------------------|------------------|------------------|
| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | LIBRARIES & COMMUNITY CENTRES | 2,082,226 | 2,082,566 | 3,002,126 |
| | ARCHIVES | 193,481 | 197,702 | 206,610 |
| | ARCHAEOLOGY | 3,852 | 4,075 | 5,755 |
| | COUNTRYSIDE SERVICES | 0 | 0 | 8,276 |
| | CULTURAL DEVELOPMENT | 87,720 | 51,975 | 57,478 |
| | MUSEUMS SERVICE | 473,098 | 431,265 | 722,119 |
| | VISUAL/PERFORMING ARTS | 123,240 | 125,375 | 199,849 |
| | CULTURE/HERITAGE MANAGEMENT | 61,247 | 62,216 | 17,856 |
| | LEISURE DEVELOPMENT | 230,792 | 246,533 | 538,884 |
| | SPORTS FACILITIES | 1,442,623 | 1,206,226 | 3,431,967 |
| | LEISURE MANAGEMENT | 485,012 | 491,971 | -453,119 |
| | DEPARTMENTAL SUPPORT | 215,416 | 212,793 | 411,247 |
| | TOTAL BUDGET | 5,398,707 | 5,112,697 | 8,149,048 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|-------------------|-------------------|-------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 5,677,907 | 5,438,767 | 5,014,498 |
| PREMISES COSTS | 1,502,273 | 1,499,941 | 1,499,941 |
| TRANSPORT COSTS | 83,598 | 80,180 | 80,180 |
| SUPPLIES & SERVICES | 1,470,076 | 1,480,859 | 1,480,859 |
| 3RD PARTY PAYMENTS | 104,711 | 107,331 | 107,331 |
| SUPPORT SERVICES | 0 | 0 | 2,371,635 |
| CAPITAL FINANCING | 0 | 0 | 2,453,431 |
| TOTAL EXPENDITURE | 8,838,565 | 8,607,078 | 13,007,875 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -607,956 | -612,371 | -612,371 |
| FEES, CHARGES & OTHER INCOME | -2,827,105 | -2,877,213 | -2,877,213 |
| RECHARGES | -4,797 | -4,797 | -1,369,243 |
| TOTAL INCOME | -3,439,858 | -3,494,381 | -4,858,827 |
| TOTAL BUDGET | 5,398,707 | 5,112,697 | 8,149,048 |

Transportation & Asset Management

| BUDGET SUMMARY | | CASH LIMITED BUDGET | | RECAST |
|----------------------------|---|---------------------|------------------|----------------|
| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | ASSET MANAGEMENT / COMMERCIAL ESTATES | 606,622 | 309,643 | -279,463 |
| | PROPERTY CONSULTANCY | 157,454 | 53,500 | 0 |
| | FACILITY MANAGEMENT (INCL PUBLIC OFFICES) | 1,745,362 | 1,788,069 | 456,383 |
| | CONTAMINATED LAND | 100,000 | 102,500 | 102,500 |
| | DEPARTMENTAL SUPPORT | 554,717 | 413,737 | 347,835 |
| | TOTAL BUDGET | 3,164,155 | 2,667,449 | 627,255 |

Analysis by Expenditure and Income

| | £ | £ | £ |
|------------------------------|-------------------|-------------------|-------------------|
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 2,966,324 | 2,696,890 | 2,424,068 |
| PREMISES COSTS | 987,378 | 1,011,550 | 1,011,550 |
| TRANSPORT COSTS | 67,254 | 54,973 | 54,973 |
| SUPPLIES & SERVICES | 447,834 | 452,306 | 452,306 |
| 3RD PARTY PAYMENTS | 327,300 | 320,000 | 320,000 |
| SUPPORT SERVICES | 0 | 0 | 2,325,380 |
| CAPITAL FINANCING | 0 | 0 | 708,362 |
| TOTAL EXPENDITURE | 4,796,090 | 4,535,719 | 7,296,639 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -848,218 | -857,096 | -857,096 |
| FEES, CHARGES & OTHER INCOME | -167,516 | -394,973 | -394,973 |
| RECHARGES | -616,201 | -616,201 | -5,417,315 |
| TOTAL INCOME | -1,631,935 | -1,868,270 | -6,669,384 |
| TOTAL BUDGET | 3,164,155 | 2,667,449 | 627,255 |

Economic Development

BUDGET SUMMARY

CASH LIMITED BUDGET

RECAST

| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
|----------------------------|--|------------------|------------------|------------------|
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | COMMERCIAL ESTATES | -808,637 | -871,928 | 340,024 |
| | MARKETS | -217,285 | -219,203 | -10,142 |
| | BUSINESS DEVELOPMENT & ENTERPRISE | 351,522 | 356,332 | 472,023 |
| | WREXHAM ITEC | -13,497 | 0 | 218,401 |
| | PHYSICAL REGENERATION & MARKETING | 670,719 | 698,161 | 984,822 |
| | SOCIAL INCLUSION (INC COM SAFETY/COHESION) | 1,512,038 | 1,473,963 | 2,045,927 |
| | DEPARTMENTAL SUPPORT | 453,072 | 401,438 | 0 |
| | TOTAL BUDGET | 1,947,932 | 1,838,763 | 4,051,055 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|-------------------|-------------------|-------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 4,190,320 | 4,192,210 | 3,809,993 |
| PREMISES COSTS | 1,748,409 | 1,699,078 | 1,699,078 |
| TRANSPORT COSTS | 64,998 | 51,699 | 51,699 |
| SUPPLIES & SERVICES | 822,116 | 888,284 | 888,284 |
| 3RD PARTY PAYMENTS | 1,862,141 | 1,771,873 | 1,771,873 |
| SUPPORT SERVICES | 0 | 0 | 2,440,367 |
| CAPITAL FINANCING | 0 | 0 | 1,645,924 |
| TOTAL EXPENDITURE | 8,687,984 | 8,603,144 | 12,307,218 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -3,103,318 | -3,139,524 | -3,139,524 |
| FEES, CHARGES & OTHER INCOME | -3,636,734 | -3,624,857 | -3,624,857 |
| RECHARGES | 0 | 0 | -1,491,782 |
| TOTAL INCOME | -6,740,052 | -6,764,381 | -8,256,163 |
| TOTAL BUDGET | 1,947,932 | 1,838,763 | 4,051,055 |

Planning

| BUDGET SUMMARY | | CASH LIMITED BUDGET | | RECAST |
|----------------------------|----------------------|---------------------|------------------|------------------|
| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | BUILDING CONTROL | -13,044 | -22,291 | 122,614 |
| | PLANNING CONTROL | -123,149 | -144,885 | 193,954 |
| | PLANNING POLICY | 679,776 | 594,328 | 705,953 |
| | SUSTAINABILITY | 205,266 | 200,000 | 200,000 |
| | EMERGENCY PLANNING | 141,757 | 144,879 | 0 |
| | DEPARTMENTAL SUPPORT | 421,774 | 387,121 | 0 |
| | TOTAL BUDGET | 1,312,380 | 1,159,152 | 1,222,521 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|-------------------|-------------------|-------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 2,092,989 | 1,945,475 | 1,749,918 |
| TRANSPORT COSTS | 59,813 | 53,670 | 53,670 |
| SUPPLIES & SERVICES | 371,340 | 342,269 | 342,269 |
| 3RD PARTY PAYMENTS | 18,956 | 18,956 | 18,956 |
| SUPPORT SERVICES | 0 | 0 | 1,009,288 |
| CAPITAL FINANCING | 0 | 0 | 9,890 |
| TOTAL EXPENDITURE | 2,543,098 | 2,360,370 | 3,183,991 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -149,167 | -109,500 | -109,500 |
| FEES, CHARGES & OTHER INCOME | -1,081,551 | -1,091,718 | -1,091,718 |
| RECHARGES | 0 | 0 | -760,252 |
| TOTAL INCOME | -1,230,718 | -1,201,218 | -1,961,470 |
| TOTAL BUDGET | 1,312,380 | 1,159,152 | 1,222,521 |

Environment

| BUDGET SUMMARY | | CASH LIMITED BUDGET | | RECAST |
|----------------------------|--|---------------------|-------------------|-------------------|
| SERVICE | DESCRIPTION | 2010/2011 | 2011/2012 | 2011/2012 |
| Net Cost by Service | | | | |
| | | £ | £ | £ |
| | CEMETERIES & CREMATORIA | -247,903 | -266,516 | -178,213 |
| | REFUSE COLLECTION | 623,903 | 713,836 | 984,571 |
| | OTHER CLEANSING | 1,734,478 | 1,725,688 | 2,027,229 |
| | WASTE DISPOSAL / RECYCLING | 9,023,691 | 9,910,327 | 11,366,015 |
| | COUNTRYSIDE & PROW | 683,053 | 624,846 | 672,822 |
| | PARKS & OPEN SPACES | 2,269,979 | 2,008,641 | 1,894,060 |
| | TRANSPORT DIVISION & DEPOT SERVICES | -675,627 | -734,093 | -238,575 |
| | DEPARTMENTAL SUPPORT | 744,130 | 651,230 | 14,117 |
| | TRANSPORT CO-ORDINATION & SCHOOL TRANSPORT | 5,271,203 | 5,082,906 | 1,189,202 |
| | ENGINEERING CONSULTANCY | -18,422 | -105,712 | 559,396 |
| | CAR PARKS & DECRIMINALISED PARKING | -512,463 | -521,229 | -508,280 |
| | ROAD SAFETY & SCHOOL CROSSING PATROLS | 204,640 | 157,568 | 205,669 |
| | TRAFFIC & TRANSPORTATION PLANNING | 688,274 | 517,803 | 827,686 |
| | HIGHWAYS MAINTENANCE | 4,192,221 | 4,264,202 | 5,033,752 |
| | TOTAL BUDGET | 23,981,157 | 24,029,497 | 23,849,451 |

Analysis by Expenditure and Income

| | | | |
|------------------------------|--------------------|--------------------|--------------------|
| | £ | £ | £ |
| EXPENDITURE | | | |
| EMPLOYEE COSTS | 12,351,220 | 11,630,453 | 10,565,287 |
| PREMISES COSTS | 1,261,760 | 1,416,315 | 1,416,315 |
| TRANSPORT COSTS | 9,523,189 | 9,548,117 | 9,548,117 |
| SUPPLIES & SERVICES | 1,769,865 | 1,809,874 | 1,809,874 |
| 3RD PARTY PAYMENTS | 17,468,944 | 18,193,177 | 18,193,177 |
| SUPPORT SERVICES | 0 | 0 | 3,606,498 |
| CAPITAL FINANCING | 0 | 0 | 3,483,173 |
| TOTAL EXPENDITURE | 42,374,978 | 42,597,936 | 48,622,441 |
| INCOME | | | |
| GRANTS & OTHER CONTRIBUTIONS | -15,038,246 | -15,179,813 | -15,179,813 |
| FEES, CHARGES & OTHER INCOME | -3,355,575 | -3,388,626 | -3,388,626 |
| RECHARGES | 0 | 0 | -6,204,551 |
| TOTAL INCOME | -18,393,821 | -18,568,439 | -24,772,990 |
| TOTAL BUDGET | 23,981,157 | 24,029,497 | 23,849,451 |

Treasury Management Strategy 2010/11 – 2012/13

1. Background

- 1.1. The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Investment Strategy as required under WAG's Investment Guidance.
- 1.2. CIPFA has defined Treasury Management as:
"the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 1.3. The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are integral element to treasury management activities and include Credit and Counterparty Risk, Liquidity Risk, Market or Interest Rate Risk, Refinancing Risk and Legal and Regulatory Risk.
- 1.4. The strategy takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position (page 29), the Prudential Indicators and the outlook for interest rates (page 30).
- 1.5. The purpose of this TMSS is to approve:
 - Treasury Management Strategy for 2011-12 (Borrowing and Debt Rescheduling - Section 3, Investments - Section 4)
 - Prudential Indicators – (NB: the Authorised Limit is a statutory limit)
 - MRP Statement – Section 7
 - Use of Specified and Non-Specified Investments – page 32 & 36
- 1.6. The Executive Board approved the adoption of the CIPFA Treasury Management Code at its meeting on 19 March 2002 (DFIS/20/02). The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.
- 1.7. All treasury activity will comply with relevant statute, guidance and accounting standards.

2. Balance Sheet and Treasury Position

- 2.1. The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), together with Balances and Reserves, are the core drivers of Treasury Management Activity. The estimates, based on the current Revenue Budget and Capital Programmes, are:

| | 31/03/2011 Estimate £m | 31/03/2012 Estimate £m | 31/03/2013 Estimate £m | 31/03/2014 Estimate £m |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| General Fund CFR | 141.5 | 142.9 | 140.0 | 137.6 |
| HRA CFR | 15.0 | 25.9 | 35.3 | 33.8 |
| Total CFR | 156.5 | 168.8 | 175.3 | 171.4 |
| Less: Existing Profile of Borrowing and Other Long Term Liabilities | 147.5 | 142.6 | 141.7 | 141.1 |
| Cumulative Maximum External Borrowing Requirement | 9.0 | 26.2 | 33.6 | 30.3 |
| Balances & Reserves | 33.9 | 36.8 | 33.6 | 33.8 |
| Cumulative Net Borrowing Requirement/(Investments) | (24.9) | (10.6) | 0 | (3.5) |

- 2.2. The Council's level of physical debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at page 29. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position. The Council will ensure that net physical external borrowing (i.e. net of investments) will not exceed the CFR other than for short term cash flow requirements.

Estimates of Capital Expenditure:

- 2.3. It is a requirement of the Prudential Code to ensure that capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

| Capital Expenditure | 2010/11 Approved £m | 2010/11 Revised £m | 2011/12 Estimate £m | 2012/13 Estimate £m | 2013/14 Estimate £m |
|----------------------------|------------------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Non-HRA General | 40.0 | 35.0 | 32.5 | 24.5 | 14.7 |
| Solar Panels | 0.0 | 0.0 | 2.4 | 0.0 | 0.0 |
| Sub Total | 40.0 | 35.0 | 34.9 | 24.5 | 14.7 |
| HRA General | 11.0 | 11.3 | 12.5 | 12.5 | 12.5 |
| Solar Panels | 0.0 | 0.0 | 13.5 | 12.5 | 0.0 |
| Sub Total | 0.0 | 0.0 | 26.0 | 25.0 | 12.5 |
| Total | 51.0 | 46.3 | 60.9 | 49.5 | 27.2 |

2.4. Capital expenditure is expected to be financed as follows:

| Capital Financing | 2010/11 Approved £m | 2010/11 Revised £m | 2011/12 Estimate £m | 2012/13 Estimate £m | 2013/14 Estimate £m |
|--|------------------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Capital receipts | 7.8 | 3.5 | 7.8 | 3.9 | 1.3 |
| Government Grants | 22.1 | 20.9 | 19.2 | 17.4 | 10.2 |
| WAG Invest to Save Fund – Solar Panels | 0.0 | | 0.1 | | |
| Major Repairs Allowance | 7.6 | 7.6 | 7.6 | 7.6 | 7.6 |
| Revenue contributions | 3.2 | 4.3 | 5.0 | 4.7 | 4.7 |
| HRA Revenue Contributions - Solar Panels | | | 1.5 | 1.5 | |
| Revenue Reserves | 1.2 | 1.0 | 0.0 | 0.0 | 0.0 |
| Total Financing | 41.9 | 37.3 | 41.2 | 35.1 | 23.8 |
| Supported borrowing | 6.2 | 6.2 | 4.6 | 3.4 | 3.4 |
| Unsupported borrowing | 2.9 | 2.8 | 0.8 | 0.0 | 0.0 |
| Unsupported Borrowing – Solar Panels | 0.0 | | 14.3 | 11.0 | |
| Total Funding | 9.1 | 9.0 | 19.7 | 14.4 | 3.4 |
| Total Financing and Funding | 51.0 | 46.3 | 60.9 | 49.5 | 27.2 |

Note: Solar Panels expenditure and financing is subject to further confirmation

Incremental Impact of Capital Investment Decisions:

2.5. As an indicator of affordability the table below shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

| Incremental Impact of Capital Investment Decisions | 2010/11 Approved £ | 2011/12 Estimate £ | 2012/13 Estimate £ | 2013/14 Estimate £ |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Increase in Band D Council Tax | 32.47 | 59.66 | 75.95 | 74.04 |
| Increase in Average Weekly Housing Rents | 0 | 0 | 0 | 0 |

Note: the proposed unsupported borrowing for Solar Panels will have no impact on Housing Rents.

2.6. The estimate for interest payments in 2011/12 is £7.9m and for interest receipts is £0.6m. The ratio of financing costs to the Council's net revenue stream is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on costs net of investment income.

| Ratio of Financing Costs to Net Revenue Stream | 2010/11 Approved £m | 2010/11 Revised £m | 2011/12 Estimate £m | 2012/13 Estimate £m | 2013/14 Estimate £m |
|---|----------------------------|---------------------------|----------------------------|----------------------------|----------------------------|
| Non-HRA | 5.6 | 5.48 | 5.18 | 4.89 | 4.83 |
| HRA | 3.44 | 3.35 | 3.68 | 4.96 | 5.29 |

3. **Borrowing and Rescheduling Strategy**

3.1. The Council's balance of Actual External Debt at 31 March 2010 (gross borrowing plus other long-term liabilities) is shown on page 29. This Prudential Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

3.2. The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

| Authorised Limit for External Debt | 2010/11 Approved £m | 2010/11 Revised £m | 2011/12 Estimate £m | 2012/13 Estimate £m | 2013/14 Estimate £m |
|---|----------------------------|---------------------------|----------------------------|----------------------------|----------------------------|
| Borrowing | 187.9 | 202.2 | 199.4 | 195.4 | 194.8 |
| Other Long-term Liabilities | 16.1 | 17.1 | 16.2 | 15.3 | 15.0 |
| Total | 204.0 | 219.3 | 215.6 | 210.7 | 209.8 |

3.3. The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

| Operational Boundary for External Debt | 2010/11 Approved £m | 2010/11 Revised £m | 2011/12 Estimate £m | 2012/13 Estimate £m | 2013/14 Estimate £m |
|---|----------------------------|---------------------------|----------------------------|----------------------------|----------------------------|
| Borrowing | 177.9 | 192.2 | 189.4 | 185.4 | 184.8 |
| Other Long-term Liabilities | 16.1 | 17.1 | 16.2 | 15.3 | 15.0 |
| Total | 194.0 | 209.3 | 205.6 | 200.7 | 199.8 |

3.4. The Chief Finance & Performance Officer has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Executive Board

3.5. In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Council will keep under review the following borrowing options:

- PWLB loans
- Borrowing from other local authorities

- Borrowing from institutions such as the European Investment Bank and directly from Commercial Banks
- Borrowing from the Money Markets
- Local authority stock issues
- Local authority bills
- Structured finance

3.6. Notwithstanding the issuance of Circular 147 on 20th October following the CSR announcement which increases the cost of new local authority fixed rate loans to 1% above the cost of the Government's borrowing, the PWLB remains an attractive source of borrowing, given the transparency and control that its facilities continue to provide. The types of PWLB borrowing that are considered appropriate for a low interest rate environment are:

- Variable rate borrowing
- Medium-term year Equal Instalments of Principal (EIP) or Annuity Loans
- Long-term Maturity loans, where affordable

Capital expenditure levels, market conditions and interest rate levels will be monitored during the year in order to minimise borrowing costs over the medium to longer term and maintaining stability. The differential between debt costs and investment earnings, despite long term borrowing rates being at low levels, remains acute and this is expected to remain a feature during 2011/12. The "cost of carry" associated with medium- and long-term borrowing compared to temporary investment returns means that new fixed rate borrowing could entail additional short-term costs. The use of internal resources in lieu of borrowing may again, in 2011/12, be the most cost effective means of financing capital expenditure.

3.7. PWLB variable rates are expected to remain low as the Bank Rate is maintained at historically low levels for an extended period. Exposure to variable interest rates will be kept under regular review. Each time the spread between long-term rates and variable rates narrows by 0.50%, this will trigger a formal review point and options will be considered in conjunction with the Authority's Treasury Advisor and decisions taken on whether to retain the same exposure or change from variable to fixed rate debt.

3.8. The Council has £23.8m loans which are LOBO loans (Lender's Options Borrower's Option) of which £14.3m of loans are currently in or will be in their call period in 2011/12. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan(s) by borrowing from the PWLB. The default response will however be early repayment without penalty.

3.9. The rationale for rescheduling would be one or more of the following:

- Savings in interest costs with minimal risk
- Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio
- Amending the profile of maturing debt to reduce any inherent refinancing risks. As opportunities arise, they will be identified by Arlingclose and discussed with the Council's officers.

3.10. Borrowing and rescheduling activity will be reported to the Executive Board.

3.11. The following Prudential Indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

The Council currently has no variable rate debt.

| | 2010/11 Approved £m | 2010/11 Revised £m | 2011/12 Estimate £m | 2012/13 Estimate £m | 2013/14 Estimate £m |
|--|---------------------------|--------------------------|---------------------------|---------------------------|---------------------------|
| Upper Limit for Fixed Interest Rate Exposure | 7.3 | 8.1 | 8.1 | 8.3 | 8.6 |
| Upper Limit for Variable Interest Rate Exposure | 2.1 | 2.3 | 2.3 | 2.4 | 2.5 |

3.12. The Council will also limit and monitor large concentrations of fixed rate debt needing to be replaced. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt.

| Maturity structure of fixed rate borrowing | Existing level at 31/03/10 % | Lower Limit for 2011/12 % | Upper Limit for 2011/12 % |
|---|--|-------------------------------------|-------------------------------------|
| under 12 months | 2 | 0 | 20 |
| 12 months and within 24 months | 3 | 0 | 20 |
| 24 months and within 5 years | 1 | 0 | 20 |
| 5 years and within 10 years | 4 | 0 | 80 |
| 10 years and within 20 years | 16 | 0 | 80 |
| 20 years and within 30 years | 6 | 0 | 80 |
| 30 years and within 40 years | 14 | 0 | 80 |
| 40 years and within 50 years | 54 | 0 | 80 |
| 50 years and above | 0 | 0 | 90 |

4. **Investment Policy and Strategy**

4.1. Guidance from WAG on Local Government Investments in Wales requires that an Annual Investment Strategy (AIS) be set.

4.2. The Council's investment priorities are:

- security of the invested capital;
- liquidity of the invested capital;
- an optimum yield which is commensurate with security and liquidity.

4.3. Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the WAG Guidance. Potential instruments for the Council's use within

its investment strategy are contained on page 32. The Chief Finance and Performance Officer, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the Executive Board.

- 4.4. Changes to investment strategy for 2011/12 include:
 - AAA-rated Variable Net Asset Value (VNAV) Money Market Funds
 - T-Bills
 - LA Bills
 - Term deposits in Sweden
 - Maximum duration for new deposits 2 years
- 4.5. The Council's current level of investments is presented at page 29.
- 4.6. The Council's in-house investments are made with reference to the outlook for the UK Bank Rate and money market rates.
- 4.7. In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office or UK Treasury Bills. (The rates of interest from the DMADF are below equivalent money market rates, but the returns are an acceptable trade-off for the guarantee that the Council's capital is secure.)
- 4.8. The Council selects countries and the institutions within them (see page 36), for the counterparty list after analysis and careful monitoring of:
 - Credit Ratings (minimum long-term A+ for counterparties; AA+ for countries)
 - Credit Default Swaps (where quoted)
 - GDP; Net Debt as a Percentage of GDP
 - Sovereign Support Mechanisms/potential support from a well-resourced parent institution
 - Share Prices (where quoted)
 - Macro-economic indicators
 - Corporate developments, news and articles, market sentiment.
- 4.9. The Council and its Treasury Advisors, Arlingclose, will continue to analyse and monitor these indicators and credit developments on a regular basis and respond as necessary to ensure security of the capital sums invested.
- 4.10. The UK Bank Rate has been maintained at 0.5% since March 2009, and is anticipated to remain at low levels throughout 2011/12. Short-term money market rates are likely to remain at very low levels for an extended period which will have a significant impact on investment income.
- 4.11. To protect against a lower for longer prolonged period of low interest rates and to provide certainty of income, 2-year deposits and longer-term secure investments will be actively considered within the limits the Council has set for Non-Specified Investments (see page 36). The longer-term investments will be likely to include:
 - Term Deposits with counterparties rated at least A+ (or equivalent)

- Supranational Bonds (bonds issued by multilateral development banks): Even at the lower yields likely to be in force, the return on these bonds will provide certainty of income against an outlook of low official interest rates.

4.12. The Council has placed an upper limit for principal sums invested for over 364 days, as required by the Prudential Code. This limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

| No 12 | Upper Limit for total principal sums invested over 364 days | 2010/11 Approved £m | 2010/11 Revised £m | 2011/12 Estimate £m | 2012/13 Estimate £m | 2013/14 Estimate £m |
|----------|--|---------------------------|--------------------------|---------------------------|---------------------------|---------------------------|
| | | 15 | 15 | 15 | 15 | 15 |

5. **Outlook for Interest Rates**

5.1 The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, is on page 30. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.

6. **Balanced Budget Requirement**

6.1. The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

7. **2011/12 MRP Statement**

7.1. The Local Authorities (Capital Finance and Accounting)(Wales)(Amendment) Regulations 2008 (SI 2008/588 (W.59)) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

7.2. The four MRP options available are:

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

NB This does not preclude other prudent methods.

7.3. MRP in 2011/12: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

7.4. The MRP Statement will be submitted to Council before the start of the 2011/12 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 Council at that time.

The Council will apply Option 2 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure and MRP in respect of leases brought

on Balance Sheet under the IFRS-based Code of Practice will match the annual principal repayment for the associated deferred liability.

8. **Monitoring and Reporting on the Treasury Outturn and Prudential Indicators**

Treasury activity is and the Prudential Indicators will be monitored through the year by the Chief Finance and Performance Officer and reported as follows:

- (a) To the Executive Board in October and January against the strategy approved for the year.
- (b) The Council will produce an outturn report on its treasury activity no later than 30th September after the financial year end.
- (c) The Finance and Performance Scrutiny Committee will be responsible for the scrutiny of treasury management activity and practices.

9. **Other Items** **Training**

CIPFA's Code of Practice requires the Chief Finance and Performance Officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

Reviewing and addressing training needs: Periodic Workshops on Treasury Management, to which all Members are invited, are arranged

Investment Consultants

WAG's Guidance on local government investments recommend that the Investment Strategy should state:

- Whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment – The Council has engaged Arlingclose Ltd to provide these services and
- How the quality of any such service is controlled. The quality of the service provided by the Council's Treasury consultants is generally controlled by competitive tendering every 3 years. However, in order to maintain flexibility of service provision during the current period of Council transformation, the retendering due at the end of the current consultancy contract in March 2011 has been postponed, and the Chief Finance and Performance Officer has authorised the extension of the contract with Arlingclose for a further 2 years from April 2011.

EXISTING PORTFOLIO PROJECTED FORWARD

| | 31 Mar 10 Actual Portfolio £m | % | 31 Mar 11 Estimate £m | 31 Mar 12 Estimate £m | 31 Mar 13 Estimate £m | 31 Mar 14 Estimate £m |
|--|--|-----|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| External Borrowing: | | | | | | |
| Fixed Rate – PWLB | 109.1 | 72 | 106.6 | 102.6 | 102.6 | 102.3 |
| Fixed Rate – Market | 23.8 | 16 | 23.8 | 23.8 | 23.8 | 23.8 |
| Variable Rate – PWLB | 0 | 0 | 0 | 0 | 0 | 0 |
| Variable Rate – Market | 0 | 0 | 0 | 0 | 0 | 0 |
| Total External Borrowing | 132.9 | | 130.4 | 126.4 | 126.4 | 126.1 |
| Existing long-term liabilities | | | | | | |
| IFRS Long Term Liabilities: | | | | | | |
| - PFI | 15.7 | 10 | 15.4 | 15.2 | 14.8 | 14.8 |
| - Finance Leases | 2.4 | 2 | 1.7 | 1.0 | 0.5 | 0.2 |
| Total Gross External Debt | 151.0 | 100 | 147.5 | 142.7 | 141.7 | 141.1 |
| Investments: | | | | | | |
| <i>Managed in-house</i> | | | | | | |
| - Short-term monies (Deposits/ monies on call /MMFs) | 34.0 | 100 | 25.0 | 22.1 | 20.7 | 22.0 |
| - Long-term investments (maturities over 12 months) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Investments | 34.0 | 100 | 25.0 | 22.1 | 20.7 | 22.0 |
| (Net Borrowing Position)/ Net Investment position | 117.0 | | 122.5 | 120.6 | 121.0 | 119.1 |

Arlingclose's Economic and Interest Rate Forecast

| | Mar-11 | Jun-11 | Sep-11 | Dec-11 | Mar-12 | Jun-12 | Sep-12 | Dec-12 | Mar-13 | Jun-13 | Sep-13 | Dec-13 | Mar-14 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Official Bank Rate | | | | | | | | | | | | | |
| Upside risk | 0.25 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Central case | 0.50 | 0.50 | 0.75 | 1.00 | 1.25 | 1.50 | 2.00 | 2.50 | 2.75 | 2.75 | 3.00 | 3.00 | 3.00 |
| Downside risk | - | - | - 0.25 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 |
| 1-yr LIBID | | | | | | | | | | | | | |
| Upside risk | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Central case | 1.65 | 1.90 | 2.15 | 2.40 | 2.50 | 2.50 | 2.75 | 3.00 | 3.25 | 3.50 | 3.50 | 3.50 | 3.50 |
| Downside risk | - 0.25 | - 0.25 | - 0.25 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 | - 0.50 |
| 5-yr gilt | | | | | | | | | | | | | |
| Upside risk | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Central case | 2.75 | 3.00 | 3.25 | 3.50 | 3.75 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.25 | 4.25 | 4.00 |
| Downside risk | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 |
| 10-yr gilt | | | | | | | | | | | | | |
| Upside risk | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Central case | 3.90 | 4.00 | 4.10 | 4.25 | 4.50 | 4.75 | 4.75 | 4.75 | 4.75 | 4.75 | 5.00 | 5.00 | 4.75 |
| Downside risk | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 |
| 20-yr gilt | | | | | | | | | | | | | |
| Upside risk | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Central case | 4.50 | 4.75 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.25 | 5.25 | 5.00 |
| Downside risk | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 |
| 50-yr gilt | | | | | | | | | | | | | |
| Upside risk | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Central case | 4.25 | 4.50 | 4.75 | 4.75 | 4.75 | 4.75 | 4.50 | 4.50 | 4.50 | 4.50 | 4.75 | 4.75 | 4.50 |
| Downside risk | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 | - 0.25 |

- The recovery in growth is likely to be slow and uneven.
- The initial reaction to the CSR is positive, but implementation risks remain.
- The path of base rates reflects the fragility of the recovery and the significantly greater fiscal tightening of the emergency budget. With growth and underlying inflation likely to remain subdued, the Bank will stick to its lower for longer stance on policy rates.
- Uncertainty surrounding Eurozone sovereign debt and the risk of contagion will remain a driver of global credit market sentiment.

Underlying assumptions:

- The framework and targets announced in the Comprehensive Spending Review (CSR) to reduce the budget deficit and government debt will be put to the test; meeting the 2010 borrowing target of £149bn will be crucial to the gilt market's confidence in the credibility of the deficit reduction plans.
- Despite Money Supply being weak and growth prospects remaining subdued the MPC have gravitated towards increasing rates in the new year as global inflation continues to rise along with household inflation.
- Consumer Price Inflation is stubbornly above 3% and is likely to spike above 4% in the first quarter of 2011 as a result of VAT, Utilities and Rail Fares.
- Unemployment remains near a 16 year high, at just over 2.5 Million, and is set to increase as the Public Sector shrinks. Meanwhile employment is growing but this is mainly due to part time work, leaving many with reduced income.
- Recently announced Basel III capital/liquidity rules and extended timescales are positive for banks. Restructuring of UK banks' balance sheets is ongoing and

expected to take a long time to complete. This will be a pre-condition for normalisation of credit conditions and bank lending.

- Mortgage repayment, a reduction in net consumer credit and weak consumer confidence are consistent with lower consumption and therefore the outlook for growth.
- The US Federal Reserve downgraded its outlook for US growth; the Fed is concerned enough to signal further QE through asset purchases. Industrial production and growth in the Chinese economy are showing signs of slowing. Both have implications for the global economy.

Specified and Non Specified Investments

Specified Investments identified for use by the Council

Specified Investments will be those that meet the criteria in the WAG Guidance, i.e. the investment

- is sterling denominated
- has a maximum maturity of 1 year
- the making of which is not defined as capital expenditure under section 20(1)(d) in SI 2003 No 3239 (W.319) (i.e. the investment is not loan capital or share capital in a body corporate).
- Either one or both of the following conditions is met:
 - is made with the UK government or is made with a local authority in England, Wales Scotland and Northern Ireland.
 - meets the “high” credit criteria as determined by the Authority
- the principal sum to be repaid at maturity is the same as the initial sum invested other than investments in the UK Government.

“Specified” Investments identified for the Council’s use are:

- Deposits in the DMO’s Debt Management Account Deposit Facility
 - Deposits with UK local authorities
 - Deposits with banks and building societies
 - *Certificates of deposit with banks and building societies
 - *Gilts: (bonds issued by the UK government)
 - *Bonds issued by multilateral development banks
 - Treasury-Bills (T-Bills)
 - Local Authority Bills (LA Bills)
 - AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV)
 - AAA-rated Money Market Funds with a Variable Net Asset Value (VNAV)
 - * Other Money Market Funds – i.e. the investment is admitted to an official list maintained by a competent authority in an EEA State.
1. * *Investments in these instruments will be on advice from the Council’s treasury advisor.*

For credit rated counterparties, the minimum criteria will be the lowest equivalent short-term and long-term ratings assigned by Fitch, Moody’s and Standard & Poor’s (where assigned).

Long-term minimum: A+(Fitch); A1 (Moody’s); A+ (S&P)

Short-term minimum: F1 (Fitch); P-1 (Moody’s); A-1 (S&P)

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

New specified investments will be made within the following limits:

| Instrument | Country/ Domicile | Counterparty | Maximum Counterparty Limits |
|--|-------------------------------------|--|--|
| Term Deposits | UK | DMADF, DMO | No limit |
| Term Deposits/Call Accounts | UK | Other UK Local Authorities | No limit |
| Term Deposits/Call Accounts | UK* | Counterparties rated at least A+ Long Term and F1 Short Term (or equivalent) | £10m |
| Term Deposits/Call Accounts | Non-UK* | Counterparties rated at least A+ Long Term and F1 Short Term (or equivalent) in select countries with a Sovereign Rating of at least AA+ | £10m |
| Gilts | UK | DMO | No limit |
| T-Bills | UK | DMO | No limit |
| LA Bills | UK | Other UK Local Authorities | No limit |
| Bonds issued by multilateral development banks | | (For example, European Investment Bank/Council of Europe, Inter American Development Bank) | £10m |
| AAA-rated Money Market Funds | UK/Ireland/ Luxembourg domiciled | CNAV MMFs VNAV MMFs (where there is greater than 12 month history of a consistent £1 Net Asset Value) | £10m |
| Other MMFs and CIS | UK/Ireland/ Luxembourg domiciled | Pooled funds which meet the definition of a Collective Investment Scheme per SI 2004 No 1010 (W.107) and SI 2007 No 1051 (W.108) | £10m |

Non-UK Banks - These will be restricted to a maximum exposure of 25% per country.

MMFs - As far as is practicable, investments in Money Market Funds will be spread between two funds or more.

Individual Limits – Investments with individual counterparties will be limited to £10m

Group Limits - For institutions within a banking group, a limit of 1.5 times the individual limit of a single bank within that group will be applied.

| Instrument | Country/ Domicile | Counterparty | Maximum Counterparty Limit | Maximum Group Limit |
|---------------------------------|------------------------------|--|---|------------------------------------|
| Term Deposits/ Call Accounts | UK | Santander UK Plc (Banco Santander Group) | £10m | £15m |
| Term Deposits/ Call Accounts | UK | Bank of Scotland (Lloyds Banking Group) | £10m | £15m |
| Term Deposits/ Call Accounts | UK | Lloyds TSB (Lloyds Banking Group) | £10m | £15m |
| Term Deposits/ Call Accounts | UK | Barclays Bank Plc | £10m | £15m |
| Term Deposits/ Call Accounts | UK | Clydesdale Bank (National Australia Bank Group) | £10m | £15m |
| Term Deposits/ Call Accounts | UK | HSBC Bank Plc | £10m | £15m |
| Term Deposits/ Call Accounts | UK | Nationwide Building Society | £10m | £15m |
| Term Deposits/ Call Accounts | UK | NatWest (RBS Group) | £10m | £15m |
| Term Deposits/ Call Accounts | UK | Royal Bank of Scotland (RBS Group) | £10m | £15m |
| Term Deposits/ Call Accounts | UK | Standard Chartered Bank | £10m | £15m |
| Term Deposits/ Call Accounts | Australia | Australia and NZ Banking Group | £10m | £15m |
| Term Deposits/ Call Accounts | Australia | Commonwealth Bank of Australia | £10m | £15m |
| Term Deposits/ Call Accounts | Australia | National Australia Bank Ltd (National Australia Bank Group) | £10m | £15m |
| Term Deposits/ Call Accounts | Australia | Westpac Banking Corp | £10m | £15m |
| Term Deposits/ Call Accounts | Canada | Bank of Montreal | £10m | £15m |
| Term Deposits/ Call Accounts | Canada | Bank of Nova Scotia | £10m | £15m |
| Term Deposits/ Call Accounts | Canada | Canadian Imperial Bank of Commerce | £10m | £15m |
| Term Deposits/ Call Accounts | Canada | Royal Bank of Canada | £10m | £15m |
| Term Deposits/ Call Accounts | Canada | Toronto-Dominion Bank | £10m | £15m |
| Term Deposits/ Call Accounts | Finland | Nordea Bank Finland | £10m | £15m |
| Term Deposits/ Call Accounts | France | BNP Paribas | £10m | £15m |
| Term Deposits/ Call Accounts | France | Credit Agricole CIB (Credit Agricole Group) | £10m | £15m |

| | | | | |
|---------------------------------|-------------|---|------|------|
| Term Deposits/ Call Accounts | France | Credit Agricole SA (Credit Agricole Group) | £10m | £15m |
| Term Deposits/ Call Accounts | France | Société Générale | £10m | £15m |
| Term Deposits/ Call Accounts | Germany | Deutsche Bank AG | £10m | £15m |
| Term Deposits/ Call Accounts | Netherlands | ING Bank NV | £10m | £15m |
| Term Deposits/ Call Accounts | Netherlands | Rabobank | £10m | £15m |
| Term Deposits/ Call Accounts | Sweden | Svenska Handelsbanken | £10m | £15m |
| Term Deposits/ Call Accounts | Switzerland | Credit Suisse | £10m | £15m |
| Term Deposits/ Call Accounts | US | JP Morgan | £10m | £15m |

Non-Specified Investments determined for use by the Council

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council's use:

| | In-house use | Maximum maturity | Max % of portfolio | Capital expenditure? |
|---|-------------------------------------|--|-------------------------|----------------------|
| <ul style="list-style-type: none"> ▪ Deposits with banks and building societies ▪ CDs with banks and building societies | ✓ | <u>5 years</u> | <u>50% in aggregate</u> | No |
| <ul style="list-style-type: none"> ▪ Gilts ▪ Bonds issued by multilateral development banks ▪ Bonds issued by financial institutions guaranteed by the UK government ▪ Sterling denominated bonds by non-UK sovereign governments | ✓ (on advice from treasury advisor) | 10 years | <u>50% in aggregate</u> | No |
| Money Market Funds and Collective Investment Schemes, which are/are not credit rated | ✓ (on advice from treasury advisor) | <u>These funds do not have a defined maturity date</u> | 50% | No |
| Government guaranteed bonds and debt instruments issued by corporate bodies | ✓ | 10 years | <u>£0M</u> | Yes |
| Non-guaranteed bonds and debt instruments issued by corporate bodies | ✓ | 10 years | <u>£0M</u> | Yes |
| Pooled funds | ✓ (on advice from treasury advisor) | 10 years | <u>£0M</u> | Yes |

1. In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.