

AUDIT COMMITTEE

26TH SEPTEMBER 2014

DIRECTORATE OF FINANCE & CORPORATE SERVICES

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES - H JENKINS

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Doc. Code: AUD-260914-REP-FS

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SECTION A – MATTERS FOR DECISION

ITEM 1

CLOSURE OF ACCOUNTS 2013/14

1. Purpose of the Report

- 1.1 This report addresses the need for Members to approve the audited Annual Statement of Accounts by 30th September 2014.

2. Background

- 2.1 The draft Statement of Accounts must be prepared and passed to the Council's External Auditors by 30th June each year. They then have a three month period to audit the accounts and at the end of this period they provide a report for Members consideration and approval before the statutory deadline of 30th September.
- 2.2 The draft Statement of Accounts was provided to the Wales Audit Office on the 19th June 2014, well in advance of the deadline of the end of June and the auditors have completed the majority of their audit work.

3. Closure of Accounts 2013/14

- 3.1 The Wales Audit Office intends to issue an unqualified audit report on the financial statements. Their work identifies that all misstatements which were identified have been corrected in the Council's Final Statement of Accounts which is included as Addendum 1.
- 3.2 There were three issues identified during the audit that had a net impact on the Council's Comprehensive Income and Expenditure Statement at year end. These relate to:
- Environment refuse vehicles £341,000 - Invoices were charged to the accounts for 2013/14, but the vehicles were not received until after the financial year end. The accounts have been updated to reflect a reduction in spend and to remove the contribution made from the waste reserve to fund the purchase.
 - Education grant income £45,000 – it was estimated that grant income would be at a higher level than was actually received.

This resulted in a requirement to reduce the income figure with this adjustment funded from the Education Equalisation Reserve. This means that the opening balance available in this reserve in 2014/15 is less than was originally reported.

- Capital £375,000 – initially, it was assumed that some costs were to be treated as other land and buildings within the Council’s asset register, however, the spend relates to Assets under Construction so should not have been charged to the Council’s revenue accounts.

3.3 There have been a number of other amendments actioned throughout the Audit process, mainly in relation to items miscoded within debtors and creditors, or analysed incorrectly as income or expenditure. Some of these items have resulted in the restatement of 2012/13 and the affected areas are identified in the accounts. Details of these amendments are provided in Appendix 3 of the Audit of the Financial Statements Report prepared by the Wales Audit Office, which can be found as Addendum 2.

3.4 The WAO report identifies that they have no major concerns about the qualitative aspects of the Council’s accounting practices and financial reporting. They found the information provided to be relevant, reliable, comparable, and easy to understand.

3.5 The auditors recognised that the overall quality of working papers provided for audit continued to improve, although the effect of staff leaving under the voluntary redundancy scheme has impacted on some directorates with officers taking over new roles during the closure process being unfamiliar with audit requirements. The auditors will continue to work with the Council’s officers in 2014/15 to build on the already significantly improved performance.

4. Recommendations

4.1 It is recommended that:

- Members approve the Letter of Representation;
- The final 2013/14 Statement of Accounts as included in the Addendum, including the restatement of the 2012/13 accounts, is approved by Members;

- The Chair of the Audit Committee be authorised to sign the Letter of Representation and the Statement of Accounts;
- Officers are tasked with continuing to make improvements to the accounts preparation process to ensure continued improvements are achieved.

Appendix

Addendum 1 – Statement of Accounts 2013/14

Addendum 2 – Audit of the Financial Statements Report-Wales Audit Office

Background Papers

Closing working papers 2013/14

Wards Affected

All

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SECTION B – MATTERS FOR INFORMATION

ITEM 2

INTERNAL AUDIT SERVICE – PROGRESS REPORT TO 31ST AUGUST 2014

1. Purpose of the report

To provide details of the work undertaken for the period from the 1st June 2014 to 31st August 2014 and an update on progress against the 2014/15 Internal Audit Plan.

2. Background

- 2.1. One of the terms of reference of this Committee is to ‘monitor internal (and external) audit performance’. In order to comply with this requirement to monitor the in-house service, a progress report is given below outlining internal audit work undertaken in the last quarter. This work is then set against the original Internal Audit Plan to show what progress has been achieved against that plan.
- 2.2. In addition, information is provided for members on the current position regarding staff vacancies and other staffing issues within the section.

3. Audit Assignments Completed

- 3.1. A total of 14 formal audit reports have been issued since the 1st June in line with normal distribution guidelines.
- 3.2. The following is a summary list of the reports that have been issued:
 - 4 Special Investigations
 - 3 Primary Schools
 - Safeguarding Children
 - Payroll
 - Regional Transport Grant
 - Treasury Management
 - Housing Renewal Area
 - National Strategic Indicator
 - End of Year Financial Provisions – Creditor Payments

- 3.3. Attached as Appendix 1 to this report is a full list of the reports along with a brief summary of their findings.
- 3.4. In addition to the above, Internal Audit continues to carry out post audit reviews (follow ups) on all the planned audits carried out.
- 3.5. There are no issues in terms of the post audit reviews that need to be brought to Members' attention.

4. Progress against the Audit Plan

- 4.1. Appendix 2 gives details of the work carried out to date against the 2014/15 audit plan.
- 4.2. There are currently 4 special investigations in progress.

5. Performance

- 5.1 A comparison of the work completed during the financial year with the work planned was provided to the Committee held in June. Attached as Appendix 3 are the performance figures for the section for 2013/14 with comments provided below.
- 5.2 In terms of the overall plan, 92% of the plan was completed. When compared to the average of the last 5 years performance has improved in 90% of the indicators.

6. Staffing

- 6.1 Currently there are two members of staff studying for their professional accountancy qualifications. They are both studying towards the CIPFA qualification and will be sitting exams in December.
- 6.2 There is currently 1 Audit Assistant vacancy due to budget issues it is unsure as to when this vacancy will be filled.

7. Property Bay Wales

- 7.1 At the last Committee it was asked what the position was in relation to filling the non-executive Director vacancy on the board.
- 7.2 The Principal Officer with day to day responsibility for PBW advised that at a recent Board meeting the decision was taken not to pursue the option of electing a non-executive director.

8. Well Being Powers

- 8.1 At the last Committee Members asked for clarification of what Well Being Powers were.
- 8.2 Part 1 of the Local Government Act 2000 introduced a power for local authorities in England and Wales to promote the economic, social and environmental well-being of their area.
- 8.3 Section 2 of the Local Government Act 2000 applies to county councils, county borough councils and community councils in Wales and provides that every local authority in Wales are to have power to do anything which they consider is likely to achieve any one or more of the following objects:-
 - a) the promotion or improvement of the economic well-being of their area
 - b) the promotion or improvement of the social well-being of their area, and
 - c) the promotion or improvement of the environmental well-being of their area
- 8.4 The above power may be exercised in relation to or for the benefit of:
 - a) the whole or any part of a local authority's area
 - b) all or any persons resident or present in a local authority's area

- 8.5 However the, the Local Government Act 2000 itself does not provide any statutory definition of what is meant by the term “well-being”.
- 8.6 In order to determine what is considered to be “well-being, the Council must 1) have regard to its community strategy and 2) any guidance issued by the Welsh Ministers.
- 8.7 As to guidance the most recent issued in April 2013 by the Welsh Ministers is entitled Statutory Guidance to Welsh Local Authorities on the power to promote or improve Economic, Social or Environmental Well-being under the Local Government Act 2000.
- 8.8 The Guidance observes at paragraph 1.2 the following should be taken into account when determining what is “well-being”

“Individual local authorities may determine the types of activities that will promote or improve the well-being of their area. The term “well-being” is not directly defined in the Act nor in this guidance as different local authorities may have different views about the types of activities that will promote or improve the well-being of their area. Actions taken under the well-being power should be informed by, and be responsive to, the views of the people and communities in the area.

The well-being of an area and the people within the area will depend on many factors. Often these factors will not be under the direct control or influence of the local authority or other public bodies, for example, some national global issues.

Local authorities are best placed to make an assessment of what is needed to promote well-being, and can provide a solid foundation for the overall well-being of their area that responds directly to local, regional and national issues.

Key factors which contribute to the promotion or improvement of well-being may include:

- *Economic factors such as the availability of suitable and high quality jobs, measures to encourage to encourage local small businesses, efficient and effective transport links, lifelong learning, training and skills development, the provision of infrastructure and new information and communication technologies etc;*

- *Social factors such as the promotion of good quality and affordable housing; safe communities, the encouragement of the voluntary sector; looking after the needs of children and young people, particularly the most vulnerable; access to the arts or leisure opportunities; access to education etc;*
- *Health related factors such as the promotion of good physical, social and mental health and developing and promoting policies which have a positive impact on health outcomes, especially on health inequalities;*
- *Environmental factors such as the availability of clean air, clean water, clean streets, the quality of the built environment, the removal of objects considered hazardous to health, removal of disfiguring or offensive graffiti from buildings, protecting communities against the threat of climate change, freedom from a high risk of flooding, improving and promoting biodiversity and accessibility to nature; and*
- *Promoting sustainable development; which the Welsh Government has defined as enhancing the economic, social and environmental well-being of people and communities, achieving a better quality of life for our own and future generations in ways which:*
 - a) *promote social justice and equality of opportunity;*
and
 - b) *enhance the natural and cultural environment and respect its limits using only our fair share of the earth's resources and sustaining our cultural legacy."*

8.9 The use of power is subject to normal public law principles and the Council's fiduciary duty to its council tax payers.

8.10 It should be noted that the Guidance goes on to observe that:

"local authorities need to ensure that existing legislation does not impose limitations on the use of the well-being power. Accordingly, the well-being power cannot be used to circumvent prohibitions, restrictions or limitations set out in legislation nor can it be used to raise money. As such, if another legislative provision contained a financial limit the well-being power could not be used by a local authority to circumvent this existing legislative requirement"

- 8.11 The well-being power highlights the relaxation in the statutory restrictions on the ability of a local authority to incur expenditure. Decisions to commit funds under the well-being power need to be transparent and reflect good practice in assessing options. As with other statutory functions the use of the well-being power will be subject to audit.

Appendices

Appendix 1 – Published Reports

Appendix 2 – Audit Plan Monitoring 2014/15

Appendix 3 – Performance Indicators 2013/14

List of Background Papers

Audit Files

Wards Affected

Not Applicable

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Published Reports

Report Ref	Report Subject	Report Conclusion	Category
R11 – 14/15	Safeguarding Children – Children who go missing & children at risk of sexual exploitation	Testing undertaken during this audit clearly showed that procedures had been strengthened during the last 18 months and there was no significant non-compliance with the All Wales Protocols.	2
R12 – 14/15	Payroll 13/14	Good controls were found to be in place.	2
R13 – 14/15	Regional Transport Grant 13/14	Good controls were found to be in place and the amount of grant claimed was accurate.	1
R14 – 14/15	Pontryhydyfen Primary School	Generally good control were found to be in place and the recommendations made will enhance the existing controls	2
R15 – 14/15	SI - School Budget Issues	This audit investigation arose as the result of a request from the Head of Service. A number of recommendations were made to enhance the budget monitoring process at the school.	N/A
R16 – 14/15	Treasury Management 13/14	Good controls were found to be in place with some recommendations made that will further enhance the controls currently in place	2
R17 – 14/15	SI –Travel Claims	A referral was made by the Head of Financial Services to undertake an investigation into the completion of travel claims. The investigation did not reveal any fraud or mal practice but training has been provided to ensure correct completion of claim forms going forward.	2
R18 – 14/15	Tonnau Primary School	Good controls were found to be in place in all areas other than the collection of school dinner money debt, recommendations were	2

Published Reports

Report Ref	Report Subject	Report Conclusion	Category
		made to address this issue.	
R19 – 14/15	Maesmarchog Community Primary School	Generally good controls were found to be in place and recommendations made will enhance the existing controls.	2
R20 – 14/15	Housing Renewal Area	Good controls were found to be in place and the recommendations made will enhance the existing controls.	2
R21 – 14/15	SI - regarding pre-employment checks	Concerns were identified during another audit. Investigation and further testing showed that the error made was an isolated incident.	N/A
R22 14 – 15	NSI – EDU/015	An error was found in the calculation of this National Strategic Indicator, which was subsequently re submitted to Welsh Government	2
R23 14 – 15	End of Year Creditor Payments	Generally good controls were found to be in place, recommendations were made in relation to the I-Procurement system.	2
R24 14 – 15	SI – Travel Claims	Concerns were raised by a service manager regarding travel expenses claimers. The investigation did not reveal any fraud or malpractice merely poor practice in the way in which the employee recorded journeys undertaken.	N/A

Key:

Category 1 – Service risk assessed as low.

Category 2 – Service risk will be assessed as low when the recommendations are implemented.

Category 3 – There are significant risks that Audit Committee needs to be aware of.

Category 4 – Immediate action is required to reduce the level of risk

Audit Plan Monitoring 2014-15

<u>Monitoring Date</u>	<u>31st August 2014</u>				
<u>Audit Plan Item</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
<u>Education, Leisure and Lifelong Learning</u>					
School Based Audits					
20 Primary Schools	M	2 schools audited and reports issued	3 schools audited and reports issued		
3 Secondary Schools	H		2 audits planned and booked for next quarter		
Other Education					
Adult Education	M		Audit planned will commence next quarter		
PLASC	M	Audit in planning stage	Due to information obtained during the planning process this audit will not now be undertaken		
Leisure, Culture and Lifelong Learning					
None					
<u>Finance and Corporate Services</u>					
Revenue Collection					
Council Tax	M				
NNDR	M				
Sundry Debtors	H				
Cash Collection	H	Unannounced checks taking place	Unannounced checks taking place		

Audit Plan Monitoring 2014-15

Benefits Administration

Housing Benefits	M		
Attendance at Prosecution Panel	N/A	The regular meetings are attended by Audit	The regular meeting are attended by Audit

Exchequer

Payroll	M
Creditor Payments	H
Travel and Subsistence Allowances	M

Accountancy

Treasury Management	H
Bank Reconciliation	M

Legal Services

None

Chief Executive's

Electoral Registration	M
Internal/Public Information	L

Social Services, Health and**Housing****Housing General Fund:**

Homelessness	M
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Social Services

Fostering & Adoption	H	No longer being undertaken due to the service being reconfigured and falling under Western Bay Safeguarding Board
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Audit Plan Monitoring 2014-15

Hillside Secure unit	M		
Community Meals	M		
Environmental Health	H		
Pre-Employment Checks - Adults	H	Audit commenced	Work completed awaiting agreement of draft report

Environment

Asset Register	M		
Stores/Equipment	M		
Planning	M	Audit in planning stage	In progress
Grant Funding	H		
CRC Submission	H		

Cross Directorate

Special Investigations	N/A	1 Report issued. No new investigations currently in progress	4 currently in progress
Advice and Guidance Requests	N/A	On-going	On-going
I.T. Audit	N/A	1 audit in progress	Audit complete awaiting agreement of draft report
Contract Audit	N/A		
Corporate Governance Arrangements	N/A	On-going	On-going
Bribery Act	N/A		In progress
Officer Declarations	M	Audit completed and report issued	
Data Protection	H		
Petty Cash	M		In progress
Risk Management	M		
Banking System Administrator	N/A	On-going	On-going

Other Commitments

Audit Plan Monitoring 2014-15

Attendance at Working Parties	N/A	On-going	On-going
Servicing/Attendance at Audit Committee	N/A	On-going	On-going
FOI Requests	N/A	None received to date	1 received and answered
Review of Accounting Instructions	N/A	On-going	Ongoing
Contingencies	N/A		
West Glamorgan Blind Welfare Association	N/A		In progress
WPI Work inc. Performance Indicators	L	Audit in planning stage	1 report issued, no further work will be done in this area due to resource issues in the service areas
SWTRA	N/A		

Performance Indicators

No.	IAS Ref	Performance Indicator	All Wales or Local	2013/14 Wales Ave	2013/14 Actual	07/08 - 12/13 Ave
L(IA) 1		Progress against original Audit Plan % of planned assignments completed:				
		‘High Risk’ areas	Local		96.88%	93.40%
		‘Medium Risk’ areas	Local		93.75%	59.20%
	1	All' Areas	All Wales	80.00%	91.75%	79.83%
	1	No of Audits	All Wales	126	84	57
L(IA) 2	5	Percentage of directly rechargeable time in relation to total available	All Wales	68.00%	69.30%	58.66%
	8	Percentage of directly rechargeable time actual vs planned	All Wales	94.00%	102.20%	71.82%
New	11	Staff costs per 1,000 population	All Wales	£2,381.00	£2,116.90	£2,423
	11	Population	All Wales	151000	140108	137270
New	12	Staffing costs per £m gross revenue expenditure & H.R.A.	All Wales	£842.00	£678.29	£875.83
	12	GRE and HRA	All Wales	488.000	437.269	390.208
L(IA) 3	9	Average cost (salaries and employers contributions only) for directly rechargeable day	All Wales	£225.00	£216.69	£257.01
	9	No.Audit of staff	All Wales	9	9	10
		Number of audit posts			7.8	11
		Number of staff leaving during financial year	New		1	2
	10	% no. of staff leaving during financial year	All Wales	22.00%	11.11%	12.69%

Performance Indicators

No.	IAS Ref	Performance Indicator	All Wales or Local	2013/14 Wales Ave	2013/14 Actual	07/08 - 12/13 Ave
L(IA) 4		Average all-inclusive cost (direct and support costs) for directly rechargeable day	Local		£222.02	£265.52
L(IA) 5	2	Quality Assessment – audit assignments completed – clients satisfied with service (based on return of comprehensive survey forms – issued on production of final audit reports)	All Wales	97.00%	100.00%	99.74%
	2	Percentage of CSS's returned	All Wales	54.00%	48.98%	48.58%
L(IA) 6		Efficiency and effectiveness assessment of the Internal Audit Service by the Council's External Auditors (in line with their statutory responsibility) - Benchmark – “Code of Practice for Internal Audit in Local Government in the United Kingdom”.	Local			N/A
L(IA) 7	4	Total actual time taken for each assignment measured against planned time (excluding special investigations and other ad-hoc work):-				
		Within planned time	All Wales	71.00%	55.22%	60.16%
		Within 2 days of planned time	Local		73.13%	65.56%
		Within 3 to 5 days of planned time	Local		10.45%	7.41%
		Over 5 days of planned time	Local		16.42%	13.84%
		Average number of days spent per audit	New		11.2	13.3
L(IA) 8	7	Period between end of 'fieldwork' and issue of draft audit report for discussion with client (within 10 working days)	All Wales		84.51%	82.55%
		Average no. of days from end of 'field work' and issue of draft report	All Wales	9.5	5.0	6.9
L(IA) 9		Period between issue of draft report for discussion with client and agreement of draft report with client (within 10 working days)	All Wales		85.92%	72.43%
		Average number. of days	Com		5	14

Performance Indicators

No.	IAS Ref	Performance Indicator	All Wales or Local	2013/14 Wales Ave	2013/14 Actual	07/08 - 12/13 Ave
L(IA) 10	6	Issue of final report after agreement of draft (within 2 working days). This higher target level was set in 2003/04. Average number of days	Local All Wales	 2.4	85.92% 1.4	80.08% 2.6
L(IA) 11	3	Percentage of recommendations contained in audit reports –agreed – versus implemented within normal post audit review periods Percentage of recommendations Agreed	Local New	 99.13%	86.96% 100.00%	92.03% 97.48%
New		Number of Special Investigations completed No of Audits Number of Audits less Special Investigations	New All Wales New	 	7 84 77	10 52 42

ITEM 3

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – OTHER HOUSING SERVICES

1. Purpose of the Report

- 1.1. This report outlines the services included within the Statement of Account for Other Housing Services.

2. Background

- 2.1. The Council's draft Statement of Accounts was considered by Audit Committee on 26th June 2014. Included within this document is the Comprehensive Income and Expenditure statement which includes a line in relation to "Other Housing Services". Further information was requested on the items included within this element of the report.

3. Other Housing Services

- 3.1. The services contained in other Housing Services are included within CIPFA's service reporting code of practice.
- 3.2. The services included relate to the Council's requirement to provide housing services other than the direct provision of houses. The main areas are:

- | | |
|---------------------------------------|--|
| Housing Strategy | ➤ Review of housing needs such as housing condition surveys |
| | ➤ Preparation of strategic housing plans such as energy conservation |
| Housing advice | ➤ Advising people housed privately. |
| Private Sector Housing Renewal | ➤ Local government's involvement is increasingly linked to wider cross-cutting initiatives such as community health, community safety and social inclusion. This heading covers renewal areas. |
| Licensing of Private Sector Landlords | ➤ Including costs associated with the licensing of Houses in Multiple Occupation. |
| Homelessness | ➤ Including hostels for the homeless, bed and breakfast accommodation, other temporary accommodation as well as expenditure to avoid the risk of homelessness. |

- Housing Benefit Payments and Administration ➤ Including payments to subsidise rents, eligible service charges and the costs of assessing and paying housing benefits.
- Supporting People ➤ This provides housing related support to help vulnerable people to live as independently as possible.

3.3. The cost of these services changed from last year as follows:

	Net Expenditure £000
2013/14	4,538
2012/13	3,544
Difference	<hr/> 994 <hr/>

3.4. The change relates primarily to capital charges for disabled facilities grants and pension fund accounting adjustments.

Background Papers

Closing working papers 2013/14

CIPFA service reporting code of practice 2013/14

Wards Affected

All

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ITEM 4

TREASURY MANAGEMENT MONITORING 2014/15

1. Purpose of Report

- 1.1 This report sets out treasury management action and information since the previous report.

2. Rates of Interest

- 2.1 Bank base rates continue to be at an all time low of 0.5% (since 5th March 2009) and detailed below are the changes in the bank base rate since April 2008.

Effective Date	Bank Rate
10 April 2008	5.00%
08 October 2008	4.50%
06 November 2008	3.50%
04 December 2008	2.00%
08 January 2009	1.50%
05 February 2009	1.00%
05 March 2009 to date	0.50%

- 2.2 The following table provides examples of external borrowing costs as provided by the Public Works Loans Board as at 12th August 2014:.

	Equal Instalments of Principal		Annuity		Maturity	
	Previous 09 July 2014	Current 12 August 2014	Previous 09 July 2014	Current 12 August 2014	Previous 09 July 2014	Current 12 August 2014
	%	%	%	%	%	%
5-5.5 years	2.40	2.35	2.41	2.36	3.08	2.99
10-10.5 years	3.08	2.99	3.12	3.03	3.79	3.65
20-20.5 years	3.79	3.65	3.88	3.72	4.31	4.11
35-35.5 years	4.24	4.05	4.32	4.13	4.38	4.18
49.5-50 years	4.37	4.17	4.39	4.19	4.34	4.15

3. General Fund Treasury Management Budget

- 3.1 The following table sets out the treasury management budget for 2014/15 and consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income.

2013/14 Actual £'000		2014/15 Original Budget £'000
15,017	Principal and Interest charges	16,890
2,176	Contribution to Treasury Management Equalisation Reserve to fund SSIP and other Capital Programme over the next 3 years.	
17,193	Subtotal Expenditure	16,890
	Investment Income	
(778)	- Total	(654)
189	- less allocated to other funds	200
(589)	Subtotal Income	(454)
16,604	Net General Fund	16,436

NB: Other funds include Trust Funds, Social Services Funds, Schools Reserves, Bonds etc.

4. Borrowing

- 4.1 No borrowing has been carried out since the last report.

5. Investment Income

- 5.1 Members should note that the majority of investments are classified as 'specified' i.e. up to 12 months and are currently with the major banks including Barclays, Lloyds Group, Bank Santander, Clydesdale, RBS and Nationwide BS.
- 5.2 The Council policy will allow investments up to a maximum of £25m for periods of more than 1 year and up to 5 years, and this will be considered when decisions on investing surplus funds are made.

- 5.3 No additional long term investments have been carried out since the last report. The Council currently has £10m invested for periods in excess of 12 months:

Counterparty	Value £'000	Period	Maturity	Rate %
Eastbourne Borough Council	4,000	4.5 Years	June 18	2.2
Peterborough City Council	6,000	5 Years	Dec 18	2.1

Icelandic Bank Update

- 5.4 Members should note the following position in relation to the recovery of monies from investments in Icelandic related banks.
- 5.5 There have been no further dividends received since the last report. The tables below show the amounts outstanding.

Table 1 – Original Investments

Bank	Original Investment	Amount of Principal Repaid	Current Outstanding Investment
	£'000	£'000	£'000
Heritable	9,000	8,597	403
KSF	3,000	2,516	484
	14,000	13,113	887

Table 2 – Investments Held in Escrow Accounts – Icelandic Kroner

Bank	Investment (Sterling Equivalent) £'000	Amount Repaid £'000	Outstanding Investment £'000
New Glitnir	387	0	387

- 5.6 Some of the investments matured by the old Glitnir have resulted in cash being held in the form of Icelandic Kroner. In line with Icelandic law, the Kroner is not tradable and can only be spent within Iceland. The Local Government Association is pursuing ways of transferring these investments to realise repayments into Sterling. These new investments with the new bank are held in an Escrow Account in the name of the local authority and generating interest in excess of 4%.

List of Background Papers

Treasury Management Files

PWLB Notice Number 310/14

Appendix

None

Wards Affected

All

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