



CABINET

***Following the meeting of Policy and Resources/Cabinet Scrutiny
Committee***

WEDNESDAY, 22 NOVEMBER 2017

COUNCIL CHAMBER - PORT TALBOT CIVIC CENTRE

Part 1

1. To receive any declarations of interest from Members
2. To receive the Report of the Head of Financial Services re: Council Tax Base (*Pages 3 - 10*)
3. To receive the Report of the Head of Corporate Strategy and Democratic Services re: the Boundary Review (*Pages 11 - 30*)
4. To receive the Report of the Director of Finance and Corporate Services re: Treasury Management Mid Year Report (*Pages 31 - 50*)
5. Any urgent items (whether public or exempt) at the discretion of the Chairman pursuant to Statutory Instrument 2001 No.2290 (as amended)

S.Phillips
Chief Executive

Civic Centre
Port Talbot

Thursday, 16 November 2017

Cabinet Members:

Cllrs. R.G.Jones, A.J.Taylor, C.Clement-Williams, D.W.Davies,
D.Jones, E.V.Latham, A.R.Lockyer, P.A.Rees, P.D.Richards and
A.Wingrave

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

22ND NOVEMBER 2017

REPORT OF THE HEAD OF FINANCIAL SERVICES – DAVID REES

MATTER FOR DECISION:

CALCULATION OF COUNCIL TAX BASE FOR 2018/19

Wards Affected: All

Purpose of report

1. To formally set the Council Tax Base for the 2018/19 financial year.

Background

2. The Council Tax Base is an amount required by the Local Government Finance Act 1992 to be used in the calculation of council tax by billing authorities and major precepting authorities and in the calculation of the amount of a precept payable by each billing authority to a major precepting authority. The Base is a measure of the tax-raising capacity of an authority. It is expressed in terms of the number of Band D equivalent dwellings in an authority's area, taking into account exemptions, discounts, disablement relief, and the authority's estimate of its collection rate for Council Tax.
3. The rules for the calculation of the Council Tax Base are contained in The Local Authorities (Calculation of Tax Base) (Wales) (Amendment) Regulations 2016 which amend The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995. The amendments in the 2016 Regulations have been made as a consequence of amendments to the Local Government Finance Act 1992 by section 139 of the Housing (Wales) Act 2014. Those amendments enable billing authorities to apply a higher amount of Council Tax ("a premium") in respect of long-term empty

dwellings and dwellings that are occupied periodically. It must be noted that this authority has not considered this option to date.

4. The calculation of the Council Tax Base is required to be made before 31st December. The Tax Base must also be notified to all Precepting Authorities (e.g. Police Authority and Community Councils) by that date. Although this is still the statutory timetable, this year the Assembly requested a provisional calculation be supplied by the 22nd November 2017 in order to meet the deadline for the calculation of the distribution of Revenue Support Grant for 2018-19.

Calculation

5. The gross Council Tax Base calculated for 2018/19 is 48,718.97 and using a collection rate of 97% produces a net Council Tax base of 47,257.40. This means that for next year and for every £1 levied in council tax terms will generate £47,257 to meet the Council's Budget Requirement. The detailed calculation is contained in Appendix 1.
6. Members should note that this is an increase from the 2017/18 base of 46,641.68 (calculated at 96% collection rate) by some 614 Band D equivalent dwellings.
7. Members will note that the collection rate has been increased to 97% for 2018/19 to reflect the higher collection rate achieved over the past few years. They were:

Year	Collection Rate
2014/15	97.5%
2015/16	97.9%
2016/17	98%

8. It is also necessary to calculate the Council Tax Base in respect of areas which are served by Town and Community Councils, and these are summarized in the following table:

Town and Community Council	Council Tax Base
Blaengwrach	359.72
Blaenhonddan	4,571.15
Briton Ferry	1,835.56
Clyne and Melincourt	256.06
Coedffranc	3,550.35
Crynant	669.59
Dyffryn Clydach	1,093.98
Glynneath	1,363.88
Neath	6,442.13
Onllwyn	363.97
Pelenna	395.67
Resolven	720.11
Seven Sisters	620.15
Tonna	832.78
Cilybebyll	1,874.83
Cwmllynfell	374.15
Gwauncaegurwen	1,313.89
Pontardawe	2,465.45
Ystalyfera	1,568.49

9. Further details of the calculation for each Town and Community Council area is shown in Appendix 2.

Financial Impact

10. The Council must approve the Council Tax Base by 31st December of the preceding financial year. The gross tax base is used by the Welsh Government to distribute Revenue Support Grant to individual Authorities. Together with the Council Tax level it determines the quantum of Council Tax proceeds available to fund the Council's Budget and Services. This will be dealt with as part of the Budget Requirement and Council Tax setting reports that will be considered by Council in February 2018.

Equality Impact Assessment

10. There is no requirement for an equality impact assessment in respect of this item

Workforce impacts

11. There are no workforce impacts arising from this report.

Legal impact

12. There is a statutory requirement to agree and set the Council Tax Base for the forthcoming financial year prior to 31st December.

Risk management

13. There are no risk management issues arising from this report.

Consultation

14. There is no requirement under the Constitution for external consultation on this item.

Recommendations

15. It is recommended that members approve the 2018-19 net Council Tax Base
- of 47,257.40 for the whole of the County Borough; and
 - for each Town and Community Council area the amount shown in paragraph 6 of this report.

Reason for Proposed Decisions

16. To determine the Council Tax Base for 2018/19.

Implementation of Decisions

17. The decisions are urgent ones for immediate implementation, subject to the consent of the relevant Scrutiny Chair (and is therefore not subject to the call-in procedure). This will also enable the Council to forward the tax base to the Welsh Government within the required timescales.

Appendices

18. Appendix 1 - Calculation of Council Tax Base

Appendix 2 - Calculation of Council Tax Base for Community Councils

List of Background Papers

19. Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (SI 1995/2561)
Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1999 (SI 1999/2935)
Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 2004 (SI 2004/3094) (W268))
Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 2016 (SI 2016/969) (W238))
Local Government Finance Act 1992
NAW Letter - Council Tax Dwellings Return (CT1) for 2018/19
Council Tax Dwellings (CT1) Return 2018/19

Officer Contact

20. Mr. Hywel Jenkins – Director of Finance & Corporate Services
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Mrs. Ann Hinder - Principal Council Tax Officer
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Grand Total Estimated Council TAX Base for 2018-19												
		Band A Disabled	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Band I	Total
	Chargeable dwellings											
A1	Chargeable dwellings	0	12,793	26,448	11,273	7,064	4,303	1,364	493	100	22	63,860
A2	Dwellings subject to Disability	0	60	344	152	114	80	27	18	17	6	818
A3	Adjusted Chargeable Dwellings	60	13,077	26,256	11,235	7,030	4,250	1,355	492	89	16	63,860
B1	Dwellings with No Discount	49	4,809	15,114	7,333	4,995	3,399	1,135	384	57	9	37,284
B2a	Dwellings with 25% Discount (exclude 2nd homes/empty)	11	7,596	10,334	3,588	1,860	756	187	72	11	2	24,417
B2b	Dwellings with a 50% Discount (exclude 2nd homes/empty)	0	9	24	11	14	21	14	20	11	2	126
B3a	Dwellings with other than 25% or 50% Discount	0	0	0	0	0	0	0	0	0	0	0
B3b	Dwellings with empty prop or 2nd home discount	0	663	784	303	161	74	19	16	10	3	2,033
B3c	Dwellings with empty prop or 2nd home premium	0	0	0	0	0	0	0	0	0	0	0
B4	Total Adjusted Chargeable Dwellings (sum B1 to B3c=A3)	60	13,077	26,256	11,235	7,030	4,250	1,355	492	89	16	63,860
	Discount and premium adjustments											
B5	Total variable discounts	0	0	0	0	0	0	0	0	0	0	0
B6	Empty prop / 2nd home adjustments	0	304	337	124	63	30	7	6	4	2	875.8
B7	Empty prop / 2nd home premiums	0	0	0	0	0	0	0	0	0	0	0
	Calc of chargeable dwellings with discounts and premiums											
C2	Total dwellings including discounts and premiums (=A3-(B2ax0.25)-(B2bx0.5)-B5-B6+B7)	57	10,870	23,324	10,209	6,495	4,021	1,294	458	77	13	56,818
C3	Ratio to band	"5/9	"6/9	"7/9	"8/9	"9/9	"11/9	"13/9	"15/9	"18/9	"21/9	
C4	Band D equivalents (=C2xC3)	31.81	7,246.66	18,140.50	9,074.22	6,495.25	4,914.25	1,869.12	763.33	153.50	30.33	48,718.97
C5	Total discounted dwellings excluding premium adjustments	57	10,870	23,324	10,209	6,495	4,021	1,294	458	77	13	56,818
C6	Band D equivalents excluding premiums	31.81	7246.66	18140.50	9074.22	6495.25	4914.25	1869.12	763.33	153.50	30.33	48,718.97
	Collection Rate											97.00%
	Council Tax Base @ 97% Band D Equivalents											47,257.40

Council Tax Base 2018/19 – Calculation for Town and Community Councils

Community Council	Discounted Chargeable Dwellings @97% at 31/10/17	New Properties @97% (Band D Equivalent)	Total Discounted Chargeable Dwellings Adjusted @97%	Council Tax Base 2018/19
Blaengwrach	359.72	0.00	359.72	359.72
Blaenhonddan	4,571.15	0.00	4,571.15	4,571.15
Briton Ferry	1,833.62	1.94	1,835.56	1,835.56
Clyne & Melincourt	256.06	0.00	256.06	256.06
Coedffranc	3,518.77	31.58	3,550.35	3,550.35
Crynant	666.46	3.13	669.59	669.59
Dyffryn Clydach	1,085.25	8.73	1,093.98	1,093.98
Glynneath	1,362.69	1.19	1,363.88	1,363.88
Neath	6,433.29	8.84	6,442.13	6,442.13
Onllwyn	359.34	4.63	363.97	363.97
Pelenna	395.67	0.00	395.67	395.67
Resolven	720.11	0.00	720.11	720.11
Seven Sisters	618.96	1.19	620.15	620.15
Tonna	831.81	0.97	832.78	832.78
Cilybebyll	1,874.83	0.00	1,874.83	1,874.83
Cwmllynfell	374.15	0.00	374.15	374.15
Gwaun Cae Gurwen	1,310.98	2.91	1,313.89	1,313.89
Pontardawe	2,434.84	30.61	2,465.45	2,465.45
Ystalyfera	1,568.49	0.00	1,568.49	1,568.49

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Cabinet

22 November 2017

Report of the Head of Corporate Strategy and Democratic Services

Matter for Decision

Wards Affected: All Wards

2018 Review of Parliamentary Constituencies - Revised Proposals

Purpose of the Report

1. To inform Cabinet of the Boundary Commission for Wales' revised proposals emanating from its review of the electoral arrangements for the current Parliamentary Constituencies of Aberavon and Neath and to consider an appropriate response.

Background

2. The Boundary Commission for Wales is an independent and impartial non-departmental public body which is responsible for reviewing Parliamentary constituency boundaries in Wales.
3. The Commission has the task of periodically reviewing all the Parliamentary constituencies in Wales. It is currently conducting a review on the basis of rules laid down by Parliament.

4. These rules involve a significant reduction in the number of constituencies in Wales, reducing from 40 down to 29, and require constituencies to comply with parameters in relation to the number of electors in each constituency.
5. On 24 March 2017, the Boundary Commission for Wales published its initial proposals for Parliamentary constituencies in Wales followed by a period of consultation on those proposals.
6. The Commission received hundreds of written representations on the initial proposals.
7. Public hearings were also held across Wales to enable members of the public to express their views on the initial proposals and to suggest how they could be amended and improved.
8. Following evaluation the Commissioners have proposed changes to 19 of the 29 constituencies and are requesting representations on these revised proposals.
9. The Commission will then make a formal report to the UK Government by 1 October, 2018, recommending any changes that it believes are appropriate to the distribution, size, shape, name or designation of constituencies in Wales.
10. The Government will then consider introducing a Bill and if Parliament approves the legislation, the recommended changes will be implemented for the next General Election after the date on which the legislation is passed.

Legal Framework

11. The Parliamentary Constituencies Act 1986 (as amended) provides that the electorate figures that are to be used for a review are those that were in the version of the electoral register published on the 'review date'.
12. The review date is defined by the Act as the date two years and ten months before the Commission is required to report on the review to the Government.

13. For the 2018 Review, this means that the electorate figures used must be those from the electoral registers that were required to be published on or before 1 December, 2015.
14. In addition, the 1986 Act states that the Commission may have regard to 'local government boundaries in Wales as the boundaries of counties, county boroughs, electoral wards, communities and community wards as they were in force on the most recent ordinary day of election of councillors before the review date.
15. For the 2018 Review, this means the local government boundaries referred to are those in force as at 7 May, 2015.
16. In terms of the number of constituencies the 1986 Act (as amended) now requires that there be a fixed number of 600 constituencies for the whole of the United Kingdom [currently there are 650 constituencies].
17. Having stated that no single constituency may be split between different parts of the UK, the Act provides a mathematical formula to determine how many constituencies each of the four parts of the UK should be allocated.
18. With regard to the electorate range, the 1986 Act sets out a number of rules which are relevant to the detailed development of proposals for individual constituencies.
19. Foremost among these is Rule 2, which provides that - apart from four specified exceptions - every constituency must have an electorate that is no less than 95% and no more than 105% of the 'UK electoral quota'. The UK electoral quota for the 2018 Review is, to the nearest whole number, 74,769.
20. Accordingly, every constituency in Wales must have an electorate that is no smaller than 71,031 and no larger than 78,507.
21. The only specified constituencies which are not subject to the operation of the UK electoral quota are the two constituencies on the Isle of Wight, England, and Orkney and Shetland and Na h-Eileanan an Iar in Scotland.

22. Rule 5 in Schedule 2, of the 1986 Act, provides for a number of other factors that the Commission may take into account in establishing a new map of constituencies for the 2018 Review, specifically:
- special geographical considerations, including in particular the size, shape and accessibility of a constituency;
 - local government boundaries as they existed on 7 May 2015
 - boundaries of existing constituencies
 - any local ties that would be broken by changes in constituencies
23. The policy of the Commission is to take into account all the factors listed in Rule 5 as far as possible, subject to the primacy of the statutory electorate range under Rule 2.
24. Factors that the Commission have not considered in preparing their proposals were:
- Impact on future election results
 - New local government boundaries (post 7 May 2015)
 - Changes to electorates after 1 December, 2015
25. The Commission have also made it clear from the outset that given the limited number of electors in some of the South Wales valleys areas, constituencies will be formed which encompass more than one valley. Furthermore, in some areas the division of Principal Authorities will be unavoidable.
26. In addition, the Commission has also highlighted that compromises will inevitably have to be made in order to create a pattern of constituencies across Wales that adheres to the Rules of the legislation, and they emphasise that it is important to understand that even small changes to one constituency will have consequential impacts on adjacent areas and possibly the whole of Wales.

Review Process

27. The 2018 Review is being carried out under a procedure that relies on a combination of written representations and oral representations at public hearings.

28. Following the publication of the Commission's initial proposals, a twelve week consultation period commenced with up to five public hearings being held across Wales ending on 5 December, 2016.
29. Once the twelve week consultation expired there was a further four week secondary consultation period but no public hearings.
30. The Commission then prepared a report recommending whether any of the initial proposals needed to be revised and providing alternative proposals, followed by an eight week period to allow any written representations to be submitted.
31. Final recommendations of the Commission will then published and a report submitted to UK Government by 1 October, 2018.

The Revised Proposals

32. Under the revised proposals, 19 of the Commission's initial constituency proposals in terms of their geographical make-up required alteration, with some of these changes being extensive. A further nine revisions will also made to the proposed names of certain parliamentary constituencies.
33. The Commission's initial and revised proposals are usefully summarised in the attached Appendices.
34. In the Commission's initial proposals, it was recommended that a county constituency be created from:
 - The electoral wards within the existing Aberavon constituency of Aberavon, Baglan, Briton Ferry East, Briton Ferry West, Sandfields East and Sandfields West; and,
 - The whole of the existing Neath Constituency.
35. This Constituency would have had 77,397 electors which is 3.5% above the UK electoral quota of 74,769 electors per constituency. The suggested name for the constituency was Neath and Aberavon - Castell-nedd ac Aberafan.
36. The Commission received numerous written representations, as well as representations at the public hearings, that stated that the three Coedffranc electoral wards, which were included within the proposed

Swansea East constituency in the initial proposals, would be more appropriately located within a proposed Neath constituency.

37. Following consideration of the representations the Assistant Commissioners (supporting the Commission's review process) proposed including the Coedffranc electoral wards within a proposed newly configured Neath constituency while identifying four electoral wards in the Afan Valley also for inclusion, due to their more established ties with the proposed constituency, to meet the statutory electoral range.
38. Having considered the Assistant Commissioners recommendations the Commission agreed that the electoral wards of Coedffranc Central, Coedffranc North and Coedffranc West, together with the wards of Bryn and Cwmavon, Cymmer, Glyncorrwg and Gwynfi be included within this proposed constituency to avoid breaking local ties between these areas and other areas included within the proposed constituency.
39. The Commission therefore has proposed to create a constituency from:
 - The electoral wards within the existing Aberavon Constituency of Briton Ferry East, Briton Ferry West, Bryn and Cwmavon, Coedffranc Central, Coedffranc North, Coedffranc West, Cymmer, Glyncorrwg, Gwynfi and,
 - The whole of the existing Neath Constituency.
40. The constituency would have 74,621 electors which is 0.2% below the UKEQ of 74,769 electors per constituency.
41. In addition, the Commission in agreement with the Assistant Commissioners proposed that the constituency now be named Neath - Castell-nedd.
42. With regard to the Aberavon Constituency, in the Commission's initial proposals, it was recommended that a county constituency be created from:
 - The whole of the existing Ogmore constituency.

- The electoral wards within the existing Aberavon constituency of Bryn and Cwmavon, Cymmer, Glyncorwg, Gwynfi, Margam, Port Talbot and Tai-bach.
43. This constituency would have 72,503 electors which is 3% below the UK electoral quota of 74,769 electors per constituency. The suggested was Ogmore and Port Talbot - Ogwr a Phort Talbot.
 44. The Commission received a number of representations which suggested that the electoral wards of Aberavon and Port Talbot had a strong affinity to one another.
 45. These representations were supported by representations made at the public hearings and the submission of a petition of 537 signatories.
 46. Considering the large number of representations received the Assistant Commissioners proposed that the electoral wards of Aberavon and Port Talbot should be included within the same constituency stating:
 47. "There was a very strong body of representations both at the hearings and in writing that the initial proposals would split the town of Port Talbot in two and that the Port Talbot and Aberavon area forms one community [which] for historic, social and economic reasons that should not be split between two constituencies."
 48. Having considered the proposals of the Assistant Commissioners, the Commission concluded that the Aberavon and Port Talbot electoral wards should remain within the same constituency. The Commission also decided that the electoral wards of Aberkenfig and Ynysawdre should be included with Bryncethin and Sarn [Ogmore constituency] in the newly proposed Aberavon and Ogmore constituency because of their ties with these wards.
 49. The Commission therefore proposes to create a constituency from:
 - The electoral wards within the existing Ogmore constituency of Aberkenfig, Bettws, Blackmill, Blaengarw, Bryncethin, Bryncoch, Caerau, Felindre, Hendre, Llangeinor, Llangynwyd, Maesteg East, Maesteg West, Nant-y-moel, Ogmore Vale, Penprysg, Pontycymmer, Sarn and Ynysawdre.

- The electoral wards within the Aberavon constituency of Aberavon, Baglan, Margam, Port Talbot, Sandfields East, Sandfields West and Tai-bach.
 - The County Borough of Rhondda Cynon Taf electoral wards of Brynna, Gilfach Goch and Llanharan.
50. This constituency would have 78,365 electors which is 4.8% above the UK Electoral Quota of 74,769 electors per constituency.
51. The Commission also agreed with the Assistant Commissioners recommendation that the name of the constituency should reflect the new configuration and recommended this should be Ogmore and Aberavon - Ogwr ac Aberafan.

The Council's Response - Revised Proposals

52. In publishing their revised proposals, the Commission has taken some consideration of the comments and concerns previously raised by this Council in relation to natural communities, local ties and easily identifiable boundaries.
53. This can be seen in relation to the Commission's revised proposals for the Aberavon and Port Talbot electoral wards as well as the wards of Coedffranc North, West and Central. However, in resolving one issue, in one specific area, the Commission has created further difficulties with new boundary proposals in other areas which once again do not recognise natural communities and local ties.
54. An example of this would be the inclusion of the electoral wards of Bryn and Cwmavon, Cymmer, Glyncorwg and Gwynfi in the Neath Constituency. Another would be the inclusion of the electoral wards of Brynna, Gilfach Goch and Llanharan in the Ogmore and Aberavon Constituency.
55. Such proposals, illustrate how the Commission has had to give ultimate primacy to the UK Electoral Quota at the expense of rational boundaries which take account of long standing community affinities and connections.
56. In particular, in attempting to ensure the statutory UK electoral range is attained, it is clear that the current vibrant residential, commercial and industrial areas of the current Aberavon Constituency have been

dissected and reassembled to create new Constituencies in which electors will have no particular affiliation, which in turn will erode engagement with the democratic process.

57. It could also be argued that such new boundary arrangements could result in further potential socio-economic impacts as no weight has been given to the issues of population sparsity or geographic isolation, all of which have an impact on the workload of elected representatives.
58. It must also be pointed out that Welsh constituencies are being disproportionately affected by the revised proposals with a 27.5% reduction in the overall number of constituencies. A far higher proportionate change compared to the proposals for other nations within the United Kingdom.
59. Furthermore, as identified by Council in its previous response, due to the increases in voter registration prior to the electoral events held in May and June 2016, the current electorate figures (as of 1 December 2015) utilised by the Commission to model its initial proposals can no longer be deemed to be valid or credible.
60. Coupled to this, there are concerns regarding the complexity that creating new Parliamentary Constituencies will generate for the different tiers of government within Wales with each level of government operating on distinctly different boundary arrangements.
61. The Commission's revised proposals, if adopted, will no longer mirror the current constituency boundaries for the National Assembly for Wales elections, re-shaping the Neath and Aberavon Constituencies while resulting in significant overlap with the neighbouring local government areas of Bridgend and Rhondda Cynon Taf.
62. In addition, the proposals also require Principal Authority boundaries to be crossed in order to reach the statutory electoral quota as set by UK Government.
63. Such, significant alterations will result in potential erosion, overlap and added complexity in the accountability of elected representatives (AMs, MPs and Elected Members) particularly in dealing with critical matters, such as economic regeneration or infrastructure investment, at a Welsh and UK Government level.

64. The proposals will inevitably result in significant confusion and misunderstanding for local electors who will no longer be able to easily identify or establish who represents them, and could diminish engagement with the democratic process.
65. In turn this would also lead to difficulties in the administration of electoral events with complex cross-boundary issues and the potential high risk of administrative failure in the event of any future combined electoral events.
66. The Commission's proposals should be for change which is desirable effective and convenient for local communities. These revised proposals would diminish the effectiveness of elected representation and be inconvenient for the electorate.
67. Elected members and political parties are also reminded to once again submit their own individual views to the Commission and encourage their constituents and local organisations to do likewise so that the Commission can determine its final proposals in the light of informed public comment.

Financial Impact

68. There are currently no financial impacts associated with this report.

Equality Impact Assessment

69. A screening assessment has been undertaken and a full equality impact assessment is not warranted.

Workforce Impacts

70. Alterations to the current Parliamentary Constituency boundaries will inevitably have a resource implication in terms of administering any future elections however, until the final boundaries have been agreed and ratified by Parliament it is difficult to assess the full extent of any workforce impacts.

Legal Powers

71. Parliamentary Voting System and Constituencies Act 2011

<http://www.legislation.gov.uk/ukpga/2011/1/contents>

72. Parliamentary Constituencies Act 1986 (as amended by the Boundary Commissions Act 1992 and the 2011 Act)

<http://www.legislation.gov.uk/ukpga/1986/56/contents>

Risk Management

73. There are currently no significant risk management issues for this Authority associated with this report.

Consultation

74. There is no requirement under the Constitution for external consultation on this item.

Recommendation

75. That Cabinet consider the Boundary Commission's revised proposals and officers advice, as contained in this report, and consider what response should be provided to the Commission.

Reason for Proposed Decision

76. To allow the Council to formally respond to the Boundary Commission for Wales' consultation which is due to conclude on Monday, 11 December, 2017.

Implementation of Decision

77. The decision is for immediate implementation.

List of Background Papers

78. 2018 Review of Parliamentary Constituencies - Revised Proposals Report (Boundary Commission for Wales)

http://bcomm-wales.gov.uk/2018-review/2018_revised_proposals?lang=en

79. 2018 Review of Parliamentary Constituencies - Guide to the 2018 Review (Boundary Commission for Wales)

<http://gov.wales/docs/bcw/policy/mapdata/2018review/160612reviewguide2018en.pdf>

Appendices

Appendix 1 - Existing Constituencies (All-Wales)

Appendix 2 - Initial Proposals (All-Wales)

Appendix 3 - Revised Proposals - (All-Wales)

Appendix 4 - Revised Proposals (Neath and Port Talbot CBC area)

Officer Contact

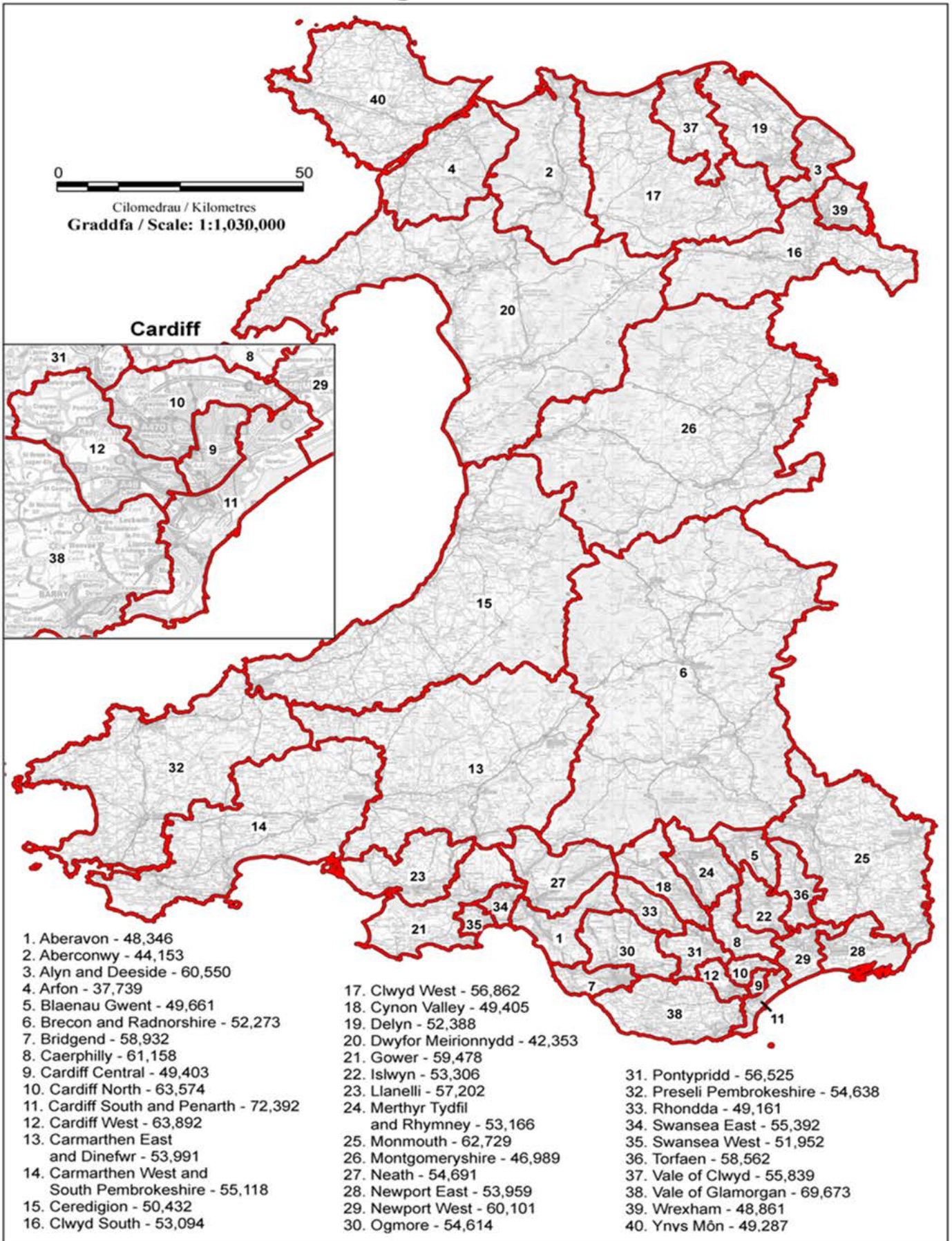
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Rhys George- Electoral and Democratic Services Manager

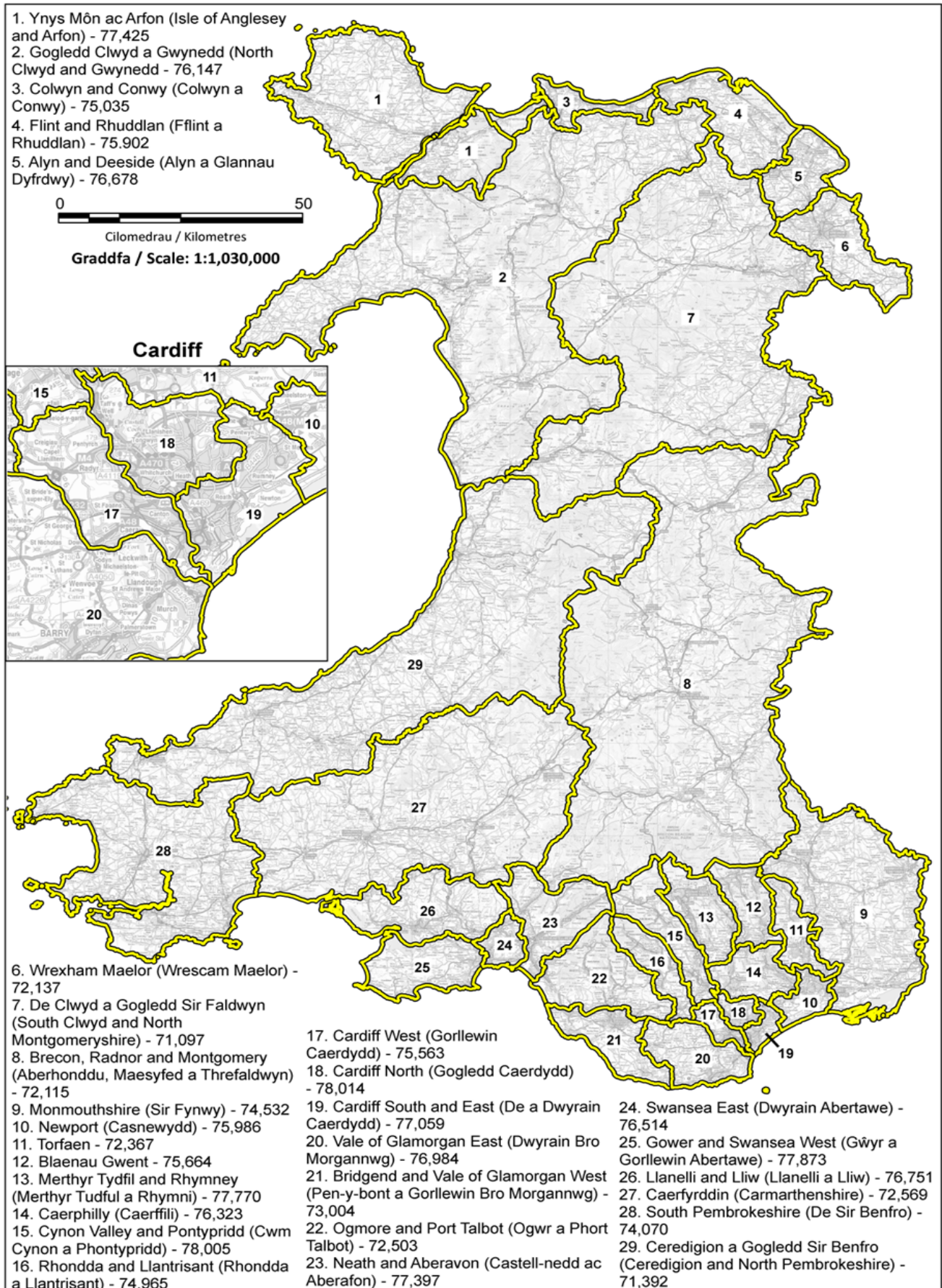
Tel: 01639 763719 e-mail: r.j.george@npt.gov.uk

Existing Constituencies



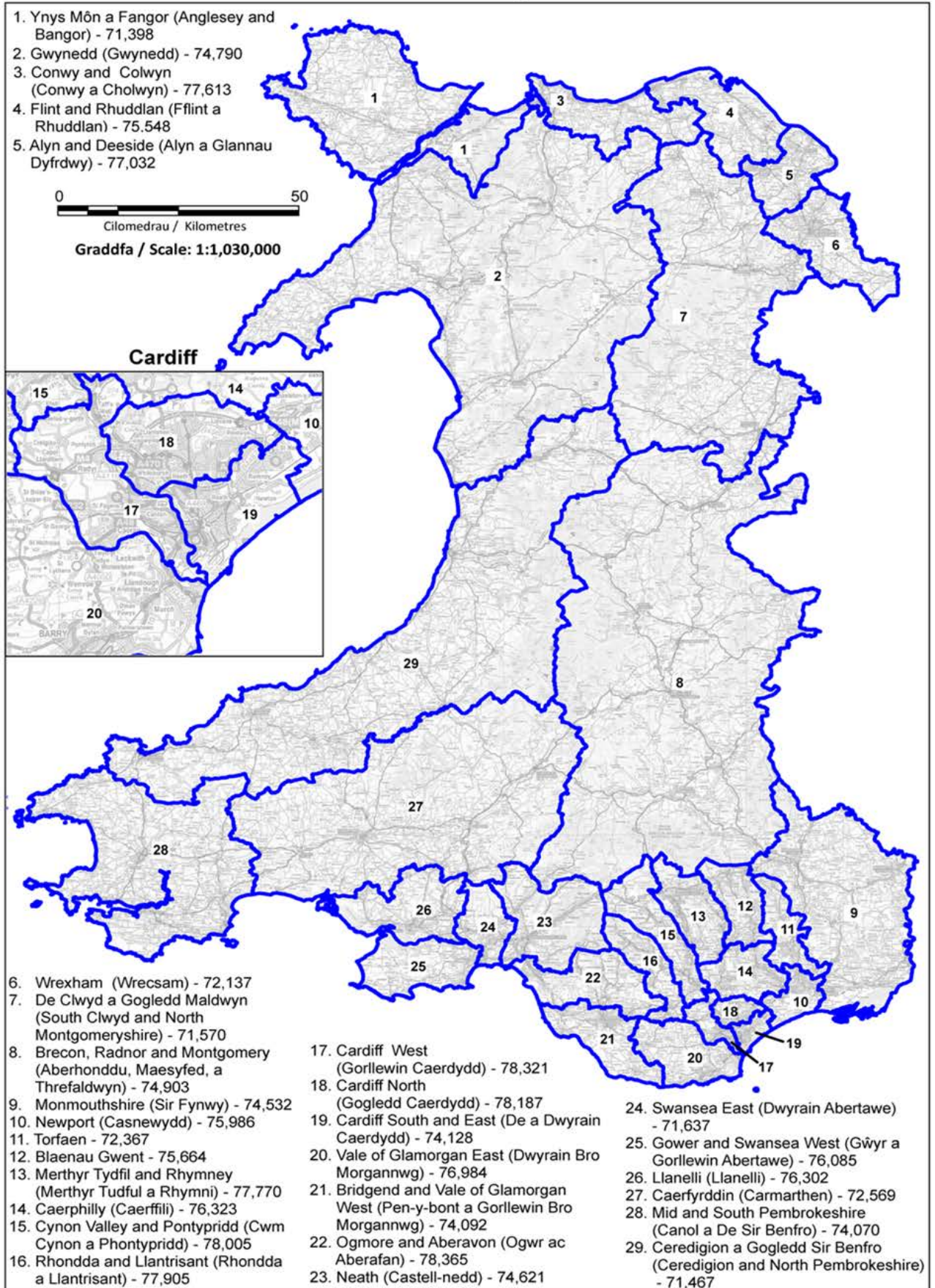
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Initial Proposals



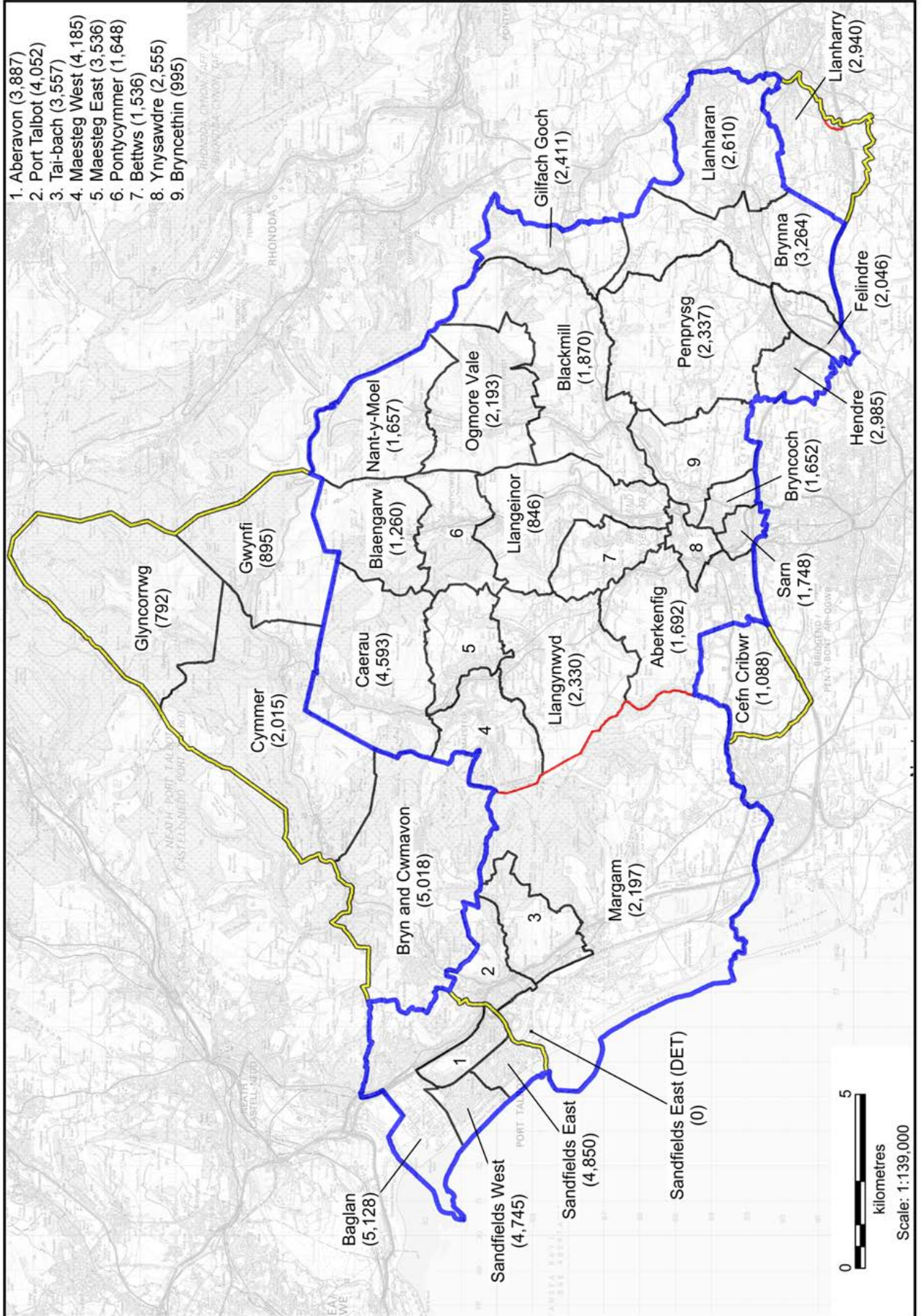
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Revised Proposals

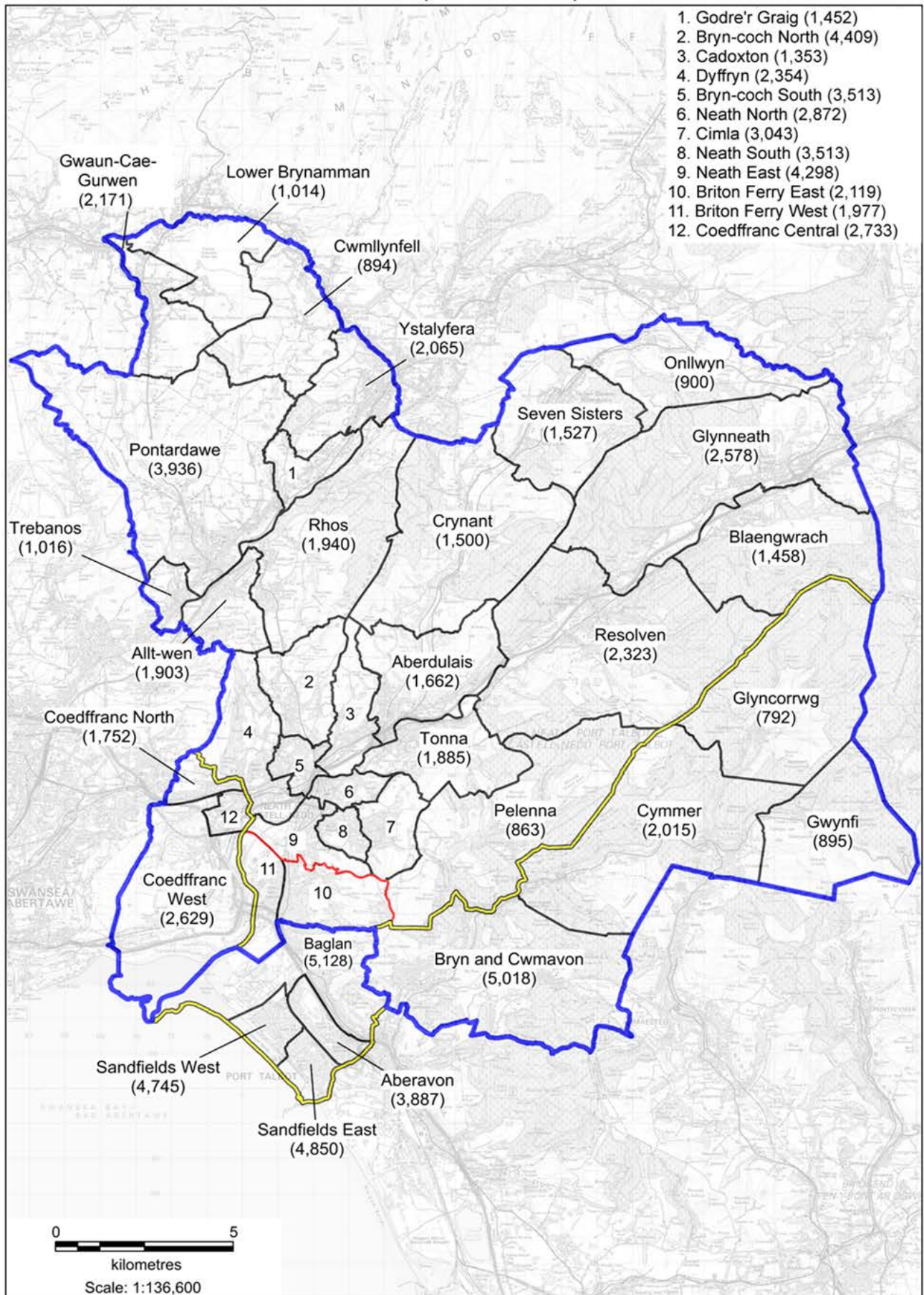


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Ogmore and Aberavon (Ogŵr ac Aberafan)



Neath (Castell-nedd)



NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES

22nd NOVEMBER 2017

MATTERS FOR DECISION

WARDS AFFECTED - ALL

TREASURY MANAGEMENT MID YEAR REVIEW REPORT 2017/18

1. Purpose of the Report

- 1.1 To review treasury management activities for the 6 month period to 30th September 2017.

2. Background

- 2.1 The Council operates a cash balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.
- 2.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 2.3 As a consequence treasury management is defined as:

“The management of the local authority’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. ”

3. Introduction

3.1 The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2011) was adopted by this Council at the Council meeting in 28th February 2013.

3.2 The primary requirements of the Code are as follows:

- (i) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
- (ii) Creation and maintenance of Treasury Management Practices set out in the manner in which the Council will seek to achieve those policies and objectives.
- (iii) Receipt by the full Council of an Annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
- (iv) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- (v) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated bodies are the Audit and Policy and Resources Committees.

Scheme of Delegation

Area of Responsibility	Council/ Committee	Frequency
Treasury Management Strategy / Annual Investment Strategy / MRP policy	Cabinet for approval by Full Council	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – mid year report	Cabinet	Mid year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times	Cabinet for approval by Full Council	Periodically
Annual Treasury Outturn Report	Policy and Resources Cabinet Board	Annually by 30 th September after the end of the year
Treasury Management Monitoring and Performance Reports	Policy and Resources Cabinet Board and Scrutiny and Audit Committee	6 Weekly Quarterly
Treasury Management Practices	Cabinet for approval by Full Council	Annually
Scrutiny of Treasury Management Strategy	Policy and Resources Scrutiny and Audit Committee	Annually

3.3 This mid year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update for 2017/18;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;

- The Council's capital expenditure (prudential indicators);
- A review of the Council's investment portfolio for 2017/18;
- A review of the Council's borrowing strategy for 2017/18;
- A review of any debt rescheduling undertaken during 2017/18;
- A review of compliance with Treasury and Prudential Limits for 2017/18.
- Revised Treasury and Prudential Limits for 2017/18 to 2019/20.

3.4 There have been no changes to the approved Treasury Management and Investment Strategies for the 6 months up to 30th September 2017.

4. Economic update

4.1 After the UK economy surprised us with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.2% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure.

However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September meeting MPC. This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action.

Subsequently at its next meeting on the 2 November 2017 the MPC voted 7 to 2 in favour of increasing the Bank Base Rate from 0.25% to 0.5%, the first increase in a decade. They also gave forward guidance that they expected to increase Bank Rate only twice more in the next 2 years to reach 1% by 2020. This has been seen as a very relaxed rate of increase prediction in line with previous statements that the rate will only go up very gradually and to a limited extent. The quarterly Inflation Report was notable downbeat about economic growth based on the trend that the economy has now fallen from 2.2% to only 1.5% and that inflation (CPI) is likely to peak shortly at 3.2% before falling.

4.2 Interest rate forecasts

The Council's Treasury Advisor, Link Asset Services, has recently provided the following updated forecasts: This shows a projected increase in the bank rate by another 0.25% in the final quarters of 2018 and 2019 to 0.75% and 1.00% respectively. The table also shows projected changes in short term investment lending rates and longer term borrowing rates.

	NOW	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
BANK RATE	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.25	1.25	1.25
3 month LIBID	0.40	0.40	0.40	0.40	0.40	0.60	0.60	0.60	0.70	0.90	0.90	1.00	1.20	1.20	1.20
6 month LIBID	0.45	0.50	0.50	0.50	0.60	0.80	0.80	0.80	0.90	1.00	1.00	1.10	1.30	1.30	1.40
12 month LIBID	0.65	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.10	1.30	1.30	1.40	1.50	1.50	1.60
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.10	2.10	2.20	2.30	2.30
10 yr PWLB	2.10	2.10	2.20	2.30	2.40	2.40	2.50	2.60	2.60	2.70	2.70	2.80	2.90	2.90	3.00
25 yr PWLB	2.70	2.80	2.90	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.40	3.50	3.50	3.60	3.60
50 yr PWLB	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40	3.40

Link Asset Services advise that forecasting remains difficult with so many external influences weighing on the UK. This is due to the uncertainties arising from trading arrangements following Brexit, growth in the UK economy, wage demands etc. They also advise that the growth in the US economy is likely to be faster than that in the UK and this will need to be monitored closely.

5.0 The Council's Capital Position (Prudential Indicators)

5.1 This part of the report updates:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

The Council's Capital Expenditure and Financing 2017/18

	2016/17 Actual £'000	2017/18 Original Estimate £'000	2017/18 Current Estimate £'000
Capital expenditure	53,758	59,273	76,366
Resourced by:			
• Capital receipts	1,412	1,300	1,300
• Capital grants & contributions	19,870	29,792	37,827
• Capital reserves + DRF	2,441	1,721	67
Capital Expenditure to be financed from borrowing	30,035	26,460	37,172

- 5.2 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the unfinanced capital expenditure, and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
- 5.3 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.
- 5.4 Reducing the CFR – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments.

External debt can also be borrowed or repaid at any time, but this does not change the CFR.

5.5 The total CFR can also be reduced by:

- The application of additional capital financing resources (such as unapplied capital receipts); or
- Charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

5.6 The Council's 2017/18 MRP Policy (as required by CIPFA Code of Practice on Treasury Management) was approved by Council as part of the Treasury Management Strategy Report for 2017/18 on 1st February 2017.

5.7 The Council's CFR for the year is shown below, and represents a key prudential indicator.

CFR	2016/17 Actual £'000	2017/18 Original Estimate £'000	2017/18 Current Estimate £'000
Opening balance	270,244	287,793	292,826
Add unfinanced capital expenditure (Section 5.1)	30,035	26,460	37,172
Less MRP/Set aside receipts	(7,453)	(8,174)	(8,179)
Closing balance	292,826	306,079	321,819

5.8 The borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

5.9 Net borrowing and the CFR – in order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2017/18. The following table highlights the Council's net borrowing position against the CFR. This

shows the Council is complying with this prudential indicator as projected net borrowing is less than the CFR i.e. £195.654m compared to £321.819m.

	2016/17 Actual £'000	2017/18 Original Estimate £'000	2017/18 Current Estimate £'000
External Debt (Gross) Less Investments	250,140 (70,820)	260,656 (60,000)	255,654 (60,000)
Net Borrowing Position	179,320	200,656	195,654
CFR	292,826	306,079	321,819

5.10 The authorised limit – the authorised limit is the “affordable borrowing limit” required by Section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level.

5.11 The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

	2016/17 Actual £'000	2017/18 Original Estimate £'000	2017/18 Current Estimate £'000
Authorised Limit	343,791	355,237	347,607
Operational Boundary	323,791	335,237	327,607
Gross Borrowing *	265,420	260,656	255,654

* Total maximum long term and short term

This report confirms that during the first 6 months of 2017/18 Council has maintained gross borrowing within the Authorised Limit.

6. Investment Portfolio 2017/18

- 6.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. It is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates remain very low and in line with the 0.25% Bank Rate (since 4th August 2016) but subsequently increased to 0.5% on 2 November 2017.

The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low. The following projected change in the bank base rate has been received from the Council's Treasury Advisors following the interest rate increase of 2 November 2017.

RATE	Projected 7 Nov	Projected previously
Q3 2017	0.50%	0.25%
Q1 2018	0.50%	0.25%
Q1 2019	0.75%	0.25%
Q1 2020	1.00%	0.75%
Q1 2021	1.25%	N/A

- 6.2 It is confirmed that the approved limits within the Annual Investment Strategy have not been breached during the first six months of 2017/18.
- 6.3 The Council's budgeted investment return for 2017/18 has been set at £504k which is a reflection of the low level of returns anticipated on investments.
- 6.4 The Treasury Management Strategy Statement (TMSS) for 2017/18, which includes the Annual Investment Strategy, sets out the Council's investment priorities as being:
- Security of Capital
 - Liquidity

- 6.5 There has been no change in the Council's Investment Strategy aims from those approved on 1st February 2017. The aim continues to be to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate, it is considered appropriate to keep an adequate level of investments which can be instantly accessed to cover short term cash flow needs. The Council also seeks out value where available in significantly higher rates in periods up to 12 months with approved institutions that meet the Council's stringent credit rating assessment.
- 6.6 Investment rates available have continued at historically low levels but have now slightly increased following the end of the first half year to 30 September 2017 and the increase in the Bank Base Rate on 2 November 2017. The average level of funds available for investment purposes during the period was affected by the timing of precept payments, receipt of grants and progress on the Capital Programme.

Investment performance to the 30th September 2017

- 6.7 The Council held £72m of investments as at 30th September 2017 (£70.820m at 31 March 2017) and the investment portfolio yield for the first six months of the year is 0.69% against a benchmark 0.18%. The Council has outperformed the benchmark by 51 basis points. The benchmark for funds managed in-house is the 3 month LIBID un-compounded rate which is the most realistic comparison rate as advised by our treasury management consultants.
- 6.8 A full list of investments held as at 30th September 2017 is provided in Appendix 1.

Investment counterparty criteria and proposed amendments

- 6.9 The current investment counterparty criteria approved by Members earlier this year are detailed in Appendix 3 of this report.

6.10 The Current Investment Policy to allow for a maximum investment of £20m with F1 rated institutions. Currently classified as F1 by the Fitch credit reference agency are banks such as Lloyds Bank, Barclays Bank and Santander UK plc.

7. Borrowing

7.1 The Council's agreed Strategy in relation to borrowing is set out in the Treasury Management Strategy Report as approved by Council. This strategy outlined that consideration would be given to entering into new external borrowing if PWLB (or money market) rates became more favourable.

7.2 During 2017/18 the Council has, to date, entered into the following new loan arrangement with the PWLB:

Date	Amount of Loan £'000	Type	Interest Rate %	Term of Loan
15/8/17	10,000	Maturity Loan	2.33	48.5

The loans are used to fund capital expenditure on assets including the 21st Century Schools Programme, Street Lighting and Regeneration.

Given the projected increases in interest rates and the need to ensure adequate cash flows in place for the Council to meet its capital programme requirements consideration is being given to take out additional new loans.

Borrowing in advance of need

7.3 The Council has not borrowed in advance of need during the six month period ended 30th September 2017. Members should note that the total external debt projection for 31st March 2018 is as follows:

	£'000
Public Works Loans Board (PWLB)	193,154
Market Loans	62,500
Total	255,654

8. Debt Rescheduling

- 8.1 Debt rescheduling opportunities have been non-existent during 2017/18 due to the penalties involved in entering into such arrangements.

9. Compliance with Treasury and Prudential Limits

- 9.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's original approved Treasury and Prudential Indicators (affordability) limits were included in the approved Treasury Management Strategy Statement as reported to Council on 1st February 2017.
- 9.2 During the financial year to date, the Council has operated within the Treasury Limits and Prudential Indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices. The Prudential and Treasury Indicators for 2017/18 onwards have been revised and are presented in Appendix 2.

10. Equality Impact Assessment

There is no requirement for an equality impact assessment under the Equality Act 2010 in relation to this report as there is no direct service provided.

11. Risk Management

There are several risks associated with the treasury management activities. These include interest rate fluctuations, counter party investment, international economic and political etc. The treasury management strategy is included within the Council's Corporate Risk Register.

12. Consultation

There is no requirement under the Constitution for external consultation on this item.

13. Recommendation

It is recommended that Members note the Treasury Management activities to date this financial year, and how they relate to the proposed activities within the original 2017/18 Treasury Management Strategy and Annual Investment Strategy Statements.

14. Reason for Proposed Decision

To comply with requirements of the Code of Practice on Treasury Management.

Appendices

Appendix 1 – Investment Position as at 30th September 2017

Appendix 2 – Prudential Indicators

Appendix 3 – Specified Investments - Current Criteria

List of Background Papers

Link Asset Service Mid-Year Reporting Template
Investment and Loan Records 2017/18

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Investment Position as at 30th September 2017

Borrower	Maturity	Rate %	Total £'000
<u>Banks and Building Societies</u>			
Lloyds Banking Group	15-Nov-17	0.55	3,000
Lloyds Banking Group	19-Oct-17	0.55	1,000
Goldman Sachs	185 day notice	0.85	5,000
Goldman Sachs	185 day notice	0.75	5,000
Goldman Sachs	185 day notice	0.70	2,000
Goldman Sachs	185 day notice	0.88	3,000
Santander Bank	182 day notice	0.55	10,000
Santander Bank	Instant Access	0.25	5,000
Skipton Building Society	11-Jan-18	0.53	5,000
Skipton Building Society	27-Oct-17	0.15	1,000
Skipton Building Society	27-Oct-17	0.17	4,000
Skipton Building Society	27-Oct-17	0.15	5,000
<u>Other Local Authorities</u>			
Blaenau Gwent CBC	16-Nov-17	0.38	2,000
Eastbourne BC	19-Jun-18	2.20	4,000
Leeds City Council	1 day notice	0.22	6,000
Middlesborough BC	02-Oct-17	0.17	5,000
Peterborough City Council	04-Dec-18	2.10	2,000
Peterborough City Council	06-Dec-18	2.10	2,000
Peterborough City Council	18-Dec-18	2.10	2,000
Total			72,000

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATORS	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	2019/20 Estimate
	£'000	£'000	£'000	£'000	£'000
Capital Expenditure	53,758	59,273	76,366	34,887	14,990
Capital Financing Requirement as at 31 st March	292,826	306,079	321,819	333,392	333,467
Ratio of financing costs to net revenue stream	% 6.20	% 6.62	% 6.63	% 6.72	% 7.07
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p	£ p
Increase in council tax (Band D) per annum	23.27	24.46	30.32	14.51	17.56

PRUDENTIAL INDICATORS

TREASURY MANAGEMENT INDICATORS	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	2019/20 Estimate
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for External Debt: Borrowing and other long term liabilities	343,791	355,237	347,607	342,423	339,456
Operational Boundary for External Debt: Borrowing and other long term liabilities	323,791	335,237	327,607	322,423	319,456
External Debt (Gross)	250,140	260,656	255,654	260,470	257,503
Less Investments	(70,820)	(60,000)	(60,000)	(60,000)	(60,000)
Net Borrowing Position	179,320	200,656	195,654	200,470	197,503

PRUDENTIAL INDICATORS

	2017/18 to 2019/20 limit
	£'000
Upper Limit on Fixed Interest Rate Exposure Lower Limit on Fixed Interest Rate Exposure	347,607
Upper Limit on Variable Rate Exposure Lower Limit on Variable Rate Exposure	173,804
Upper Limit for Total Principal Sums Invested for Over 364 Days (per maturity date)	£25m

Maturity Structure of Fixed Rate Borrowing During 2016/17	2016/17 Actual	2017/18 Estimate		
	%	%	Upper Limit %	Lower Limit %
Under 12 months	6	2	15	0
12 months to 2 years	2	6	15	0
2 to 5 years	7	5	40	0
5 to 10 years	7	3	60	0
10 years and above	78	84	100	15

Specified Investments Criteria

	Minimum 'High' Credit Criteria	Funds Managed	Max Amount	Max Duration
Term deposits				
Term deposits - Debt Management Office	N/A	In-house	Unlimited	1 year
Term deposits – local, police and fire authorities	N/A	In-house	£10m	1 year
Term deposits – Nationalised & Part Nationalised UK banks/Building Societies	Fitch short-term rating F1+, F1	In-house	£20m	1 year
Term deposits – UK banks/Building Societies	Fitch short-term rating F1+	In-house	£20m	1 year
Term deposits – UK banks/Building Societies	Fitch short-term rating F1	In-house	£15m	6 months or 185 days
Callable deposits				
Callable deposits – Debt Management Agency deposit facility	N/A	In-house	Unlimited	
Callable deposits – Nationalised & Part Nationalised UK banks/Building Societies	Fitch short-term rating F1+, F1	In-house	£20m	
Callable deposits – Nationalised & Part Nationalised UK banks/Building Societies	Fitch short-term rating F2	In-house	£10m	
Callable deposits - UK banks/Building Societies	Fitch short-term rating F1+ or F1	In-house	£15m *	
Term deposits – non UK banks	Fitch short-term rating F1+	In-house	£5m	6 months or 185 days

* Where necessary this limit may be temporarily exceeded with the Authority's bankers only.

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