



PWYLLGOR ARCHWILIO

2.00 PM - DYDD MERCHER, 4 RHAGFYR 2019

NEATH CIVIC CENTRE A/B

RHAN 1

1. Datganiadau o fudd
2. Cofnodion y Cyfarfod Blaenorol (*Tudalennau 5 - 8*)
3. Y Diweddaraf am y Pwyllgor Archwilio - Cyngor Bwrdeistref Sirol Castell-nedd Port Talbot (*Tudalennau 9 - 20*)
4. Adroddiad Cynnydd Archwilio Mewnol hyd at 15 Tachwedd 2019 (*Tudalennau 21 - 34*)
5. Monitro Rheoli'r Trysorlys 2019/2020 (*Tudalennau 35 - 40*)
6. Eitemau brys
Unrhyw eitemau brys yn ôl disgrisiwn y Cadeirydd yn unol ag Adran 100B(4)(b) Deddf Llywodraeth Leol 1972.
7. Mynediad i gyfarfodydd
Yn unol ag Adran 100A(4) a (5) Deddf Llywodraeth Leol 1972, gwaherddir y cyhoedd o'r eitemau busnes canlynol sy'n debygol o ddatgelu gwybodaeth eithriedig fel a nodwyd ym Mharagraff 12 ac 15 Adran 4 Atodlen 12A y Ddeddf uchod.

RHAN 2

8. Archwiliadau lle defnyddiwyd Graddfa Risg 3, 4 neu 5 a manylion yr Ymchwiliadau Arbennig (*Tudalennau 41 - 44*)

S.Phillips
Prif Weithredwr

Canolfan Ddinesig
Port Talbot

Dydd Sadwrn, 30 Tachwedd 2019

Aelodaeth y Pwyllgor:

Cadeirydd: J.D.Morgan

Is-gadeirydd: L.M.Purcell

Aelodau: Councillors S.apDafydd, S.E.Freeguard, J.Miller,
R.W.Wood, O.S.Davies, A.N.Woolcock,
A.J.Richards, H.C.Clarke a/ac S.Renkes

**Mae pleidleisio
aelod lleyg:** J.Jenkins

Mae'r dudalen hon yn fwriadol wag

AUDIT COMMITTEE

(Committee Room 1/2 - Port Talbot Civic Centre)

Members Present:

25 September 2019

Chairperson: Councillor J.D.Morgan

Vice Chairperson: Councillor L.M.Purcell

Councillors: S. ap Dafydd, S.E.Freeguard, J.Miller,
R.W.Wood, O.S.Davies, A.N.Woolcock,
A.J.Richards and H.C.Clarke

Officers In Attendance A.Evans, C.Griffiths, H.Jones, C.D.Millis,
A.M.O'Donnell and J.Woodman-Ralph

Representing the Wales Audit Office: G.Gillett

Voting Lay Member: J.Jenkins

1. **DECLARATIONS OF INTEREST**

The following Member made a declaration of interest at the commencement of the meeting:-

Councillor H.C. Clarke	Re: Private Report of the Head of Finance as she is Vice Chair of Governors at Ysgol Gymraeg Ystalyfera Bro Dur Comprehensive School.
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2. **ACCESS TO MEETINGS**

RESOLVED: that pursuant to Section 100A(4) and (5) of the Local Government Act 1972, the public be excluded for the following item of business which involved the likely disclosure of exempt information as defined in Paragraphs 12 and 15 of Part 4 of Schedule 12A to the above Act.

3. **AUDITS WHERE RISK RATING OF 3, 4 OR 5 WAS APPLIED AND DETAILS OF SPECIAL INVESTIGATIONS**

Councillor H.C.Clarke re-affirmed her interest and left the meeting thereon.

Members received information on the audits undertaken in the last quarter as detailed in the private circulated report.

The Committee adjourned at 2.25pm.

The Committee reconvened at 2.45pm.

RESOLVED: That report number 11, item 4 of the circulated report be deferred to a future meeting of the audit committee. In addition, that the report be brought back to committee in a timely manner.

Discussion continued on the additional items contained within the circulated private report.

RESOLVED: That the private report be noted.

- Committee Resolved into Open Session -

4. **MINUTES OF PREVIOUS MEETING**

RESOLVED: that the Minutes of the meeting held on 29 July 2019, be approved.

5. **AUDIT COMMITTEE UPDATE – NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

Members received an update from the Welsh Audit Office on their current and planned work programme.

RESOLVED: That the report be noted.

6. **AUDIT COMMITTEE - ANNUAL REPORT 2018-2019**

Members received an overview of the Audit Committee – Annual Report 2018 – 2019 as detailed in the circulated report.

RESOLVED: That approval be granted to forward the Annual Report 2018 – 2019 to Council.

7. **INTERNAL AUDIT PROGRESS REPORT TO 31 AUGUST 2019**

The Committee received the Internal Audit Progress Report to 31 August 2019 as detailed in the circulated report.

The report gave details of the work undertaken for the current financial year compared to that included in the Internal Audit Plan and highlighted issues relevant to the performance of the section.

It was explained that there had been a delay in completing the scheduled number of audits. This was due to the timescale for undertaking audits being extended due to the complexity of the investigations.

Discussion took place in regard to the Disclosure and Barring Service (DBS). It was agreed that the Chair of Audit Committee would write to the Director of Education, Leisure and Lifelong Learning requesting a letter be sent to all schools within Neath Port Talbot area, asking for confirmation that all the necessary DBS checks had been undertaken.

RESOLVED: That the report be noted.

8. **TREASURY MANAGEMENT MONITORING 2019/20**

The Committee received the Treasury Management Monitoring 2019/2020 information as detailed in the circulated report.

RESOLVED: That the report be noted.

CHAIRPERSON

Mae'r dudalen hon yn fwriadol wag



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Audit Committee Update – Neath Port Talbot County Borough Council

Audit year: 2019

Date issued: December 2019

Document reference: APS122019

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Eitem yr Agenda 3

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at info.officer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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Audit committee update

About this document

- 1 This document provides the Audit Committee of Neath Port Talbot County Borough Council (the Council) with an update on current and planned Wales Audit Office work. It covers financial and performance audit work together with information on the Auditor General's programme of local government related studies.

Audit plan

Details of the finalisation of our audit plans for 2018 and 2019 are set out in [Exhibit 1](#).

[Exhibit 1: audit plan.](#)

Area of work	Status
Audit Plan 2018	Presented to Audit Committee April 2018
Audit Plan 2019	Presented to Audit Committee March 2019

Financial audit update

The status of our financial audit work included in our 2019 audit plan is set out in [Exhibit 2](#)

Exhibit 2: financial audit update

Planned output	Scope	Status
Financial Statements 2018-19	Audit of the Council's 2018-19 financial statements.	Opinion issued 30 July 2019.
Margam Crematorium Joint Committee Annual Return 2018-19	Audit of the Committees 2018-19 Annual Return	Opinion issued 30 July 2019
Welsh Church Act Trust Fund 2018-19	Independent examination of the Trust Fund 2018-19 financial statements	Opinion issued 31 October 2019
Certification of Grants 2018-19	Certification of grants and returns 2018-19	Work on the Councils 2018-19 grant claims is in progress. Completion planned for December 2019
Annual Audit Letter	Letter summarising our 2018-19 audit work.	Planned for December 2019

Performance audit update

- 3 The progress of the performance audit work included in our 2018 audit plan which is still in progress and progress against the planned performance outputs and milestones set out in our 2019 audit plan are summarised in [Exhibit 3](#).

Exhibit 3: performance audit update

Topic	Scope	Status	Timescale
Performance audit work - 2018 audit plan			
Thematic Review - Corporate Safeguarding Arrangements	Review of the effectiveness of corporate safeguarding arrangements, building on the study previously undertaken by the Auditor General in this area.	Fieldwork complete.	Draft report issued October 2019
Annual improvement Report	Annual report summarising the audit work undertaken in the last year, which also includes a summary of the key findings from reports issued by 'relevant regulators'.	Complete	Report finalised September 2019.
Performance audit work - 2019 audit plan			
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	Examination of the extent to which the Council has acted in accordance with the sustainable development principle when taking steps to meet its wellbeing objectives.	Fieldwork complete	Draft report shared with Council November 2019

Topic	Scope	Status	Timescale
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.	Fieldwork in progress	Feedback to CDG – February 2020
Financial Sustainability	A project common to all local councils that will assess financial sustainability in light of current and anticipated future challenges.	Fieldwork in progress	Reporting – January 2020
Local Performance Audit Project	Review of the Council's performance management system.	Not started	Fieldwork January – March 2020
Improvement audit and assessment work including improvement planning and reporting audit	Audit of discharge of duty to publish an improvement plan, and to publish an assessment of performance.	Complete – certificates issued	Improvement Plan Certificate issued. Reported to Cabinet June 2019 Assessment of Performance Certificate issued November 2019.

Neath Port Talbot
 Council

WAO national studies

- 4 The Audit Committee may also be interested in the WAO national studies programme that are related to local government. **Exhibit 4** provides information on our recently published national studies that have relevance to local authority organisations. These studies are typically funded by the National Assembly and are presented to the National Assembly's Public Accounts Committee to support its scrutiny of public expenditure.

Exhibit 4: local authority related national studies

Topic	Findings	Status
Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act	Victims and survivors of domestic abuse and sexual violence are often let down by an inconsistent, complex and fragmented system. We have examined how the new duties and responsibilities of the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act are being rolled out and delivered.	Published 21 November 2019 http://www.audit.wales/publication/progress-implementing-violence-against-women-domestic-abuse-and-sexual-violence-act
Review of Public Services Boards	We examined how Public Service Boards are operating; looking at their membership, terms of reference, frequency and focus of meetings, alignment with other partnerships, resources and scrutiny arrangements We concluded that Public Services Boards are unlikely to realise their potential unless they are given freedom to work more flexibly and think and act differently.	Published 8 Oct 2019 www.audit.wales/publication/review-public-services-boards

Topic	Findings	Status
Public Spending Trends in Wales 1999-00 to 2017-18	<p>Over the two decades of devolution the relative levels of public spending per head in the four nations of the UK have remained consistent; Wales has consistently seen a higher level of per capita spending than England, but lower levels than Scotland and Northern Ireland. But if one looks at individual policy areas, some interesting, and perhaps unexpected, variations can be seen in the pattern and relative levels of funding.</p>	<p>Published 1 Oct 2019 http://www.audit.wales/publication/public-spending-trends-wales Includes Interactive data tool</p>
The well-being of young people	<p>We looked at the Welsh Government's work to support the well-being of young people in Wales and sought to understand how well the Welsh Government is joining up across its policy areas and what impact its approach to strategic planning is having on young people themselves.</p> <p>The work consists of a summary report and five reports focussed on different well-being topics: youth homelessness; young adult carers; young parents; mental health; and skills and employability.</p> <p>The reports highlight a lack of support in some key areas which public services in Wales need to address.</p>	<p>Published 19 September 2019 http://www.audit.wales/publication/well-being-of-young-people</p>

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5 **Exhibit 5** provides information on local government related studies currently underway.

Exhibit 5: local government related studies currently underway by the Wales Audit Office

Topic	Scope	Timescale
The impact of austerity on LA discretionary services	This review will provide independent assurance that councils approaches to discretionary services are sustainable and that changes in provision or cessation of activity do not adversely impact future generations or those with protected characteristics.	Report to be published in 2020
Commercialisation in local authorities	This review will focus on producing good practice case studies and support materials to help authorities develop their approaches to commercialisation. It will also comment on long-term approaches to financial sustainability and how commercial activity supports organisations to deliver their wider wellbeing objectives and corporate priorities. Neath Port Talbot Council is one of the fieldwork sites.	Report to be published in 2020
Preventing fraud and corruption	Following a June 2019 overview report for the National Assembly's Public Accounts Committee, we are undertaking further work to consider in more detail the effectiveness of public bodies' arrangements. Fieldwork is being undertaken at all local government bodies.	Report to be published in 2020

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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

4th December 2019

Report of the Head of Finance – Huw Jones

Matter for Information

Wards Affected:

All Wards

Internal Audit Progress Report to 15th November 2019

1. Purpose of the Report

The purpose of this report is to provide details of the work undertaken for the current financial year compared to that included in the Internal Audit Plan and to highlight issues relevant to the performance of the section.

2. Executive Summary

Details of achievement against the 2019/20 Audit Plan are outlined in appendix 1. Appendix 2 gives a summary of all reports issued in this reporting period.

3. Background

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.

In addition, information is provided for members on the current position regarding staff vacancies and other staffing issues within the team.

4. Audit Assignments Completed

A total of 11 formal audit reports have been issued since 1st September 2019 in line with normal distribution guidelines. Attached as appendix 1 is a schedule of the reports together with a brief summary of the finding and the risk rating applied following the audit.

The following is a list of the reports issued;

1 Private Report
7 Primary Schools
Equipment Tracking – Environment Directorate
Concessionary Fares – First Cymru
Complaints & Compliments

5. Post Audit Reviews Undertaken

The following Post Audit Reviews (PARS) have been undertaken

Audit	Date of PAR	Issues
Cefn Saeson Comprehensive	04.10.19	None
YGG Rhosafan	06.11.19	None

6. Progress against Plan

Appendix 2 gives detail of the work carried out to date against the 2019/20 Plan.

There are currently 4 special investigations in progress.

7. Staffing.

The vacant Assistant Auditor Post has been filled with effect from 6th January 2020. None of the candidates who applied for the vacant Fraud Officer post were shortlisted and it is hoped that permission will be granted to advertise externally in early 2020.

8. Financial Impacts

No implications

9. Integrated Impact Assessment

There is no requirement to undertake an Integrated Impact Assessment as this report is for monitoring/information purposes.

10. Valleys Communities Impacts

No implications

11. Workforce Impacts

No implications

12. Legal Impacts

No implications

13. Risk Management Impacts

No implications

14. Consultation

There is no requirement for external consultation on this item

15. Appendices

Appendix 1 – Published Reports

Appendix 2 – Audit Plan Monitoring 2019/20

16. List of Background Papers:

None

Officer Contact:

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Appendix 1 – Published Reports

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Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Risk Category
R21	Blaengwarch Primary School Head of Participation	Good controls were found to be in place and the school is complying in full with current DBS guidance.	1
R22	St. Joseph's Catholic Infant School Head of Participation	Generally good controls were found to be in place and the school is complying with current DBS guidance. Recommendations were made in relation to the school unofficial fund and compliance with IR35 legislation.	2
R23	Waunceirch Primary School Head of Participation	Generally good controls were found to be in place and the school is complying with current DBS guidance in respect of staff. Recommendations were made in relation to Governors' DBS and the school unofficial fund.	2
R24	St. Joseph's Catholic Junior School Head of Participation	Generally good controls were found to be in place and the school is complying with current DBS guidance. Recommendations were made in relation to school meal debt, coding of procurement card purchases and the school unofficial fund.	2
R25	Private Item		
R26	Central Primary School Head of Participation	Good controls were found to be in place and the school is complying in full with current DBS guidance.	1

Appendix 1 – Published Reports

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Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Risk Category
R27	Cwmafan Primary School Head of Participation	Good controls were found to be in place and the school is complying in full with current DBS guidance.	1
R28	Equipment Tracking Head of Engineering & Transport	Generally good controls were found to be in place and recommendations were made which will further enhance the existing controls.	2
R29	YGG Pontardawe Head of Participation	Generally good controls were found to be in place and the school is complying with current DBS guidance. Recommendations were made in relation to raising orders and the school unofficial fund.	2
R30	Concessionary Fares – First Cymru Head of Engineering & Transport	Good controls were found to be in place and no issues were identified.	1
R31	Complaints & Compliments All Chief Officers	Good controls were found to be in place for Complaints Officers' identifying, resolving and reporting of complaints. Recommendations were made in relation to training for complaints officers, risk assessments, enhancements to the	2

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Risk Category
		Corporate Complaints and Compliments Policy and deploying the IT system used within Social Services to all complaints officers.	

Risk Categories

Category 1 – testing found good controls to be in place

Category 2 – testing found some controls that need enhancing which will be achieved by the implementation of the recommendations

Category 3 – testing revealed a number of areas where improvements in controls are required. A verbal update will be provided

Category 4 – testing revealed areas of concern, the Head of Service will provide a written response to the audit report for consideration by Members of Audit Committee

Category 5 – testing revealed areas of significant concern. The Head of Service and/or Service Manager will attend audit committee

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Appendix 2 – Audit Plan Monitoring

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<u>Monitoring Date</u>	<u>15th November 2019</u>			
<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>
<u>Education, Leisure and Lifelong Learning</u>				
<u>School Based Audits</u>				
20 Primary Schools	M	1 school audited	3 schools audited	7 schools audited
3 Secondary Schools	H		1 school audited	1 Audit being undertaken.
<u>Other Education</u>				
Unofficial Funds (Primary)	H			Audit in progress
Unofficial Funds (Secondary)	H			Audit in progress
Education Grants	M	1 grant being audited	Grant audit finalised	2 Grants audited and draft reports issued.
<u>Leisure, Culture and Lifelong Learning</u>				
Margam Country Park & Orangery	M			Audit in progress
<u>Finance and Corporate Services</u>				

Appendix 2 – Audit Plan Monitoring

Tudalen29	<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>
	Revenue Collection	Council Tax	L		
Council Tax Recovery	M				
NNDR	L				
Sundry Debtors	L				
Cash Collection	H	Unannounced visits undertaken	Unannounced visits undertaken	Unannounced visits undertaken	
Benefits Administration	Housing Benefits	L			
Exchequer	Payroll	L			
Creditor Payments	L				
Creditor (FIS Checks)	H	Regular monthly checks undertaken	Regular monthly checks undertaken	Regular monthly checks undertaken	
Off Payroll Payments (IR 35)	H		Advice given	Advice given to a number of service areas	
Accountancy	Treasury Management	M		Audit in planning stage	Audit in progress
VAT	M				

Appendix 2 – Audit Plan Monitoring

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<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>
Other				
Financial Assessments	M	Audit in progress	Audit complete	
Court Deputy	M	Audit in progress		Draft Report issued
Contingency	N/A	Mobile phone audit in progress		Third Sector Grant audit in planning stage.
Legal Services				
None				
<u>Chief Executive's</u>				
Members' Driver Declarations	M	Audit in progress	Audit ceased following legal advice	Replaced with Chief Executive Directorate Travel & Subsistence Claims to be undertaken in Q4
<u>Social Services, Health and Housing</u>				
Housing General Fund:				
None				

Appendix 2 – Audit Plan Monitoring

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<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>
Social Services				
Hillside Secure Unit	M			Audit in planning stage
Grant Certification	M	1 grant being audited	2 grants audited	
Safeguarding - Children & Adult Services				
Child Sexual Exploitation	H			
Professional Abuse Strategy Meetings	H			
Contingency	N/A			Warm Homes Fund to be Audited in Q4.
<u>Environment</u>				
Stores/Equipment attendance at stock takes	H			
Stores processes	H			Audit in progress
Equipment Tracking /Write Offs	M	Audit in progress	Draft report issued	Final report issued
Winter Gritting Processes	M			
Town Centre Regeneration Programme	M			
Contingency	N/A			

Appendix 2 – Audit Plan Monitoring

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<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>
<u>Cross Directorate</u>				
Special Investigations	N/A	3 in progress	5 in progress	4 in progress
Advice & Guidance Requests	N/A	Ongoing	Ongoing	Ongoing
Corporate Governance Arrangements	N/A			
Data Security	H			
Contract Audit	M		1 final account processed	2 final accounts processed
Officer Declarations	M	Audit complete		
Risk Registers	M			
DBS Checks	H		1 Audit Completed	Audit in progress
Complaints Processes	M	Audit in progress	Audit in progress	Final report issued
Procurement	H			Audit in planning stage
Money Laundering	M			
Fraud	H	Work ongoing	Blue Badge Audit in progress	Blue Badge Audit still ongoing
GDPR	M			Audit in planning stage
<u>Other Commitments</u>				
Banking Administrator	N/A	Work ongoing	Work ongoing	Work ongoing
Attendance at working parties	N/A	Work ongoing	Work ongoing	Work ongoing

Appendix 2 – Audit Plan Monitoring

<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>
Servicing Audit Committee	N/A	Work ongoing	Work ongoing	Work ongoing
Vision Impaired West Glamorgan	L			
SWTRA	N/A		Audit in progress	
FOI Requests	N/A	All requests have been replied to.	All requests have been replied to	All requests have been replied to
Staff association/lottery	N/A	Year end accounts audited and Auditor's Statement provided.		Advice given when requested
National Fraud Initiative	N/A	Matches being reviewed	Matches being reviewed	Matches being reviewed

Mae'r dudalen hon yn fwiadol wag



NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

REPORT OF THE HEAD OF FINANCE – HUW JONES

4th December 2019

Matter for Monitoring

Wards Affected - All

TREASURY MANAGEMENT MONITORING 2019/20

Purpose of Report

- 1 This report sets out treasury management action and information for the second quarter of 2019/20.
- 2 This report was agreed by Cabinet on 20th October 2019 and in line with the Council's Treasury Management Practices Scrutiny arrangements needs to be considered by the Audit Committee.

Rates of Interest

- 3 The Monetary Policy Committee (MPC) voted on the 2nd August 2018 to increase the bank rate to 0.75% and to date it has remained at that level.

Effective Date	Bank Rate
4th December 2008	2.00%
8th January 2009	1.50%
5th February 2009	1.00%
5th March 2009	0.50%
4th August 2016	0.25%
2nd November 2017	0.50%
2 nd August 2018	0.75%

- 4 The following table provides examples of external borrowing costs as provided by the Public Works Loans Board as at 9th October 2019:

	Equal Instalments of Principal		Annuity		Maturity	
	Previous 04Jul19	Current 09Oct19	Previous 04Jul19	Current 09Oct19	Previous 04Jul19	Current 09Oct19
	%	%	%	%	%	%
5-5.5 years	1.28	2.10	1.28	2.10	1.30	2.02
10-10.5 years	1.30	2.02	1.30	2.02	1.58	2.25
20-20.5 years	1.58	2.25	1.60	2.26	2.10	2.74
35-35.5 years	2.02	2.67	2.07	2.70	2.09	2.71
49.5-50 years	2.16	2.79	2.16	2.79	2.02	2.62

- 5 The Public Works Loans Board announced on 9th October 2019 that they will increase their interest rate across the board (i.e. for all repayment periods) by 1%. This is due to the substantial number of Local Authorities borrowing at the previous record low rates. The above table includes the impact of those increases. This will mean that the cost of borrowing to Local Authorities will now be 1% higher compared to the rates prior to 9th October.

General Fund Treasury Management Budget

- 6 The following table sets out details of the treasury management budget for 2019/20 along with outturn figures for 2018/19. The budget consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income.

2018/19 Outturn £'000		2019/20 Original Budget £'000
19,094	Principal and Interest charges	19,644
	Investment Income	
(509)	- Total	(300)
195	- less allocated to other funds	110
(314)	Subtotal Income	(190)
(340)	Contribution from General Reserves	(180)
134	Contribution to General Reserves	
	Contribution to/(from) treasury management reserve	
18,574	Net General Fund	19,274

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

Borrowing

- 7 The Council has entered into the following loan since the last quarterly monitoring report:

Date	Amount of Loan £'000	Type	Interest Rate %	Term of Loan (Years)
29/8/19	10,000	Maturity Loan	1.70	49.5

This loan will be used to fund the Council's Capital Programme.

Investment Income

- 8 In line with the Council's Investment Strategy, the 2019/20 original budget target for investment income is £300k, actual investment income for the financial year to date total's £212k. Any income received in excess of the budget will normally be transferred into the treasury management equalisation reserve at year end

- 9 Members should note that the majority of investments are classified as 'specified' i.e. up to 12 months and are currently deposited with Local Authorities and Santander Bank.
- 10 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. The Council has no such investments.

Financial Impact

- 11 All relevant financial information is provided in the body of the report.

Integrated Impact Assessment

- 12 There is no requirement to undertake an Integrated Impact Assessment as this report is for information purposes.

Valleys Communities Impacts

- 13 No implications

Workforce Impacts

- 14 There are no workforce impacts arising from this report.

Legal Impacts

- 15 There are no legal impacts arising from this report.

Risk Management

- 16 There are no new risk management issues arising from this report. Borrowing and investment decisions are made in line with the Council's Treasury Management Policy. The Council has appointed Link Asset Services to provide support and advice in relation to this policy.

Consultation

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

Recommendations

- 18 It is recommended that Audit Committee members note the contents of this monitoring report.

Appendices

- 19 None

List of Background Papers

- 20 PWLB Notice Number 384/19

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