

# West Devon Audit Committee



West Devon  
Borough  
Council

<b>Title:</b>	<b>Agenda</b>
<b>Date:</b>	<b>Tuesday, 23rd July, 2019</b>
<b>Time:</b>	<b>10.00 am</b>
<b>Venue:</b>	<b>Chamber - Kilworthy Park</b>
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Davies <b>Vice Chairman</b> Cllr Vachon</p> <p><i>Members:</i> Cllr Bridgewater Cllr Renders Cllr Crozier Cllr Yelland Cllr Hipsey</p>
<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
<b>Committee administrator:</b>	Member.Services@swdevon.gov.uk

**1. Apologies for absence**

**2. Declarations of interest**

Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting.

If Councillors have any questions relating to predetermination, bias or interests in items on this Agenda then please contact the Monitoring Officer in advance of the meeting.

**3. Items Requiring Urgent Attention**

To consider those items which, in the opinion of the Chairman, should be considered by the Meeting as matters of urgency (if any).

**4. Confirmation of Minutes**

Meeting held on 25 June 2019

**1 - 4**

**5. Grant Thornton External Audit report (ISA 260) 2018/19 - To Follow**

**6. Audited Statement of Accounts 2018/19 and Annual Governance Statement 2018/19 - To Follow**

**7. Annual Treasury Management report for 2018/19**

**5 - 20**

**8. Budget Book for 2019/20**

**21 - 28**

**9. Audit Committee Workplan**

**29 - 30**

# Agenda Item 4

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At a Meeting of the **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **25th** day of **June 2019** at **2.00pm**

**Present:**

- Cllr M Davies (Chairman)
- Cllr P Vachon (Vice Chair)
- Cllr A Bridgewater
- Cllr P Crozier
- Cllr S Hipsey
- Cllr Mark Renders
- Cllr J Yelland

**Officers in attendance:**

- Section 151 Officer
- Internal Auditor Manager
- External Auditor
- Head of Finance Practice
- Senior Case Manager –Democratic Services
- Monitoring Officer

**Also in attendance:** Cllr C Edmonds (lead Hub Committee Member)

**\* AC 1 CONFIRMATION OF MINUTES**

The Minutes of the Committee Meeting held on 12 March 2019 were confirmed and signed by the Chairman as a correct record.

**\* AC 2 GRANT THORNTON AUDIT PROGRESS REPORT**

The External Auditor took members through the report.

It was then **RESOLVED** that:

The report be noted

**\* AC 3 GRANT THORNTON AUDIT PLAN**

The External Auditor took Members through the External Audit Plan. He highlighted to the committee the significant risks and the mitigations in place. The S151 Officer responded to a member question around risk of pressure in the early closedown stating measures are taken to ensure the timetable is met.

It was then **RESOLVED** that:

The report was noted

**\* AC 4**

**GRANT THORNTON EXTERNAL AUDIT FEE LETTER**

The External Auditor presented the external audit letter to the Committee.

It was then **RESOLVED** that:

The content of the letter be noted

**\*AC 5**

**DRAFT STATEMENT OF ACCOUNTS 2018/19 AND DRAFT ANNUAL GOVERNANCE STATEMENT 2018/19**

The Lead Member for Performance & Resources introduced the report to the committee. It was confirmed that the limit of the Council's exposure on the SW Mutual Bank was for the £49,995 purchase of shares. There was one question around Serveco and the S151 Officer confirmed that there would be a recommendation from officers to close the dormant company.

A member highlighted that the link within the Accounts to the Members' allowances note needed updating.

Regarding the Pensions note to the Accounts (Page 129 of the agenda), a Member noted that the share in Overseas equities had increased from 37% (in March 2018) to 43% in March 2019 and the share in UK equities had fallen from 22% (in March 2018) to 17% in March 2019. The S151 Officer confirmed that the Pensions Fund was administered by Devon County Council and the Pensions Committee of DCC set the Strategy for Investment.

A member asked for confirmation that the £89,000 underspend for the 2018/19 financial year went into the Unearmarked Reserves. The S151 Officer confirmed this was correct and that Unearmarked Reserves at 31.3.2019 stood at £1.286 million. A further question was asked by the Member if the Council could also consider setting an Upper Limit for Unearmarked Reserves as well as a Minimum Limit. The S151 Officer confirmed that this could be incorporated as a recommendation within the Medium Term Financial Strategy (MTFS) which Members would consider in September 2019.

In response to a question, the Head of Finance Practice confirmed that de-minimis was a 'minimum' level, with items below that value not considered.

With regards to the CCLA Investment, it was confirmed that a yearly evaluation on the CCLA Property Fund would take place and this followed a discussion around IFRS9 and to elect to present in other comprehensive income, changes in fair values of all equity investments including the CLLA investment

The Lead Officer for Performance and Resources thanked the finance team for all their hard work. The Chair seconded the vote of thanks.

It was then **RESOLVED** that:

1. The Draft Statement of Accounts and the Draft Annual Governance Statement (AGS) for the financial year ended 31 March 2019 were noted.
2. The Committee elected to present in other comprehensive income changes in fair value of all equity instruments including The CCLA investment in accordance with IFRS 9 – Financial Instruments with effect from 1 April 2018
3. It was noted that delegated authority had been exercised by the Section 151 Officer to transfer £30,000 of additional planning income received in 2018/19 to the Joint Local Plan Earmarked Reserve.

**\*AC 6 ANNUAL REPORT OF THE STATUTORY OFFICER PANEL 2018/19**

The Lead Member for Performance & Resources introduced the report to the committee. The Monitoring Officer gave feedback on the Peer Review and Induction Scheme.

It was then **RESOLVED** that:

The Annual Report of the Statutory Officers' Panel be noted

**\*AC 7 INTERNAL AUDIT REPORT 2018/19**

The Lead Member for Performance & Resources introduced the report to the committee. A discussion took place as to tree inspections and the level of training given for such inspections. Good progress was being made on S106 agreements with a shared S106 Officer post now being in place.

It was then **RESOLVED** that:

1. The Audit Committee noted that overall and based on work performed during 2018/19, and that of our experience from previous year's audit, the Head of Internal Audit's Opinion is of "Substantial Assurance" on the adequacy and effectiveness of the Authority's internal control network.
2. Members noted the satisfactory performance and achievements of the Internal Audit Team during 2018/19

**\* AC 8 PROPOSED COMMITTEE WORKPLAN FOR THE 2019/20 FINANCIAL YEAR**

The Workplan was introduced by the S151 Officer.

(The Meeting terminated at 3.10 pm)

Dated this

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Chairman

# Agenda Item 7

Report to: **Audit Committee**

Date: **23 July 2019**

Title: **Annual Treasury Management Report  
2018/19**

Portfolio Area: **Cllr C Edmonds – Performance & Resources**

Wards Affected: **ALL**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: Pauline Henstock      Role: **Head of Finance Practice**

Alex Walker      **Finance Business Partner**

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**Recommendations:**

**That the Audit Committee:**

1. Approves the actual 2018/19 prudential and treasury indicators in this report.
2. Notes the Annual Treasury Management report for 2018/19.

## **1. Executive summary**

- 1.1 Income from investments this year was £91,001 which is £680 higher than the budget of £90,321 at an average return of 0.83%. The comparable performance indicator (Benchmark) is the average 7-day LIBID rate which was 0.51%. Therefore the Council achieved 0.32% return on investments over the benchmark for 18/19.

## **2. Background**

- 2.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

- 2.2 Treasury management is defined as:

“The management of the local authority’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks ”

- 2.3 During 2018/19 the minimum reporting requirements were that the full Council should receive the following reports:

- An annual treasury strategy in advance of the year (Minute CM 69)
- A mid-year (minimum) treasury update report (Minute CM 51)
- An annual review following the end of the year describing the activity compared to the strategy (this report)

- 2.4 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council’s policies previously approved by Members.

- 2.5 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the full Council. Member training on treasury management issues will be undertaken during 2019/20 in order to support Members’ scrutiny role.



### 3. The Economy and Interest Rates

- 3.1 After weak **economic growth** of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected.
- 3.2 After the Monetary Policy Committee raised **Bank Rate** from 0.5% to 0.75% in August 2018, it is of little surprise that they have abstained from any further increases since then. Any further action from the MPC is unlikely until the uncertainties over Brexit are clear. If there was a disorderly exit, it is likely that Bank Rate would be cut to support growth.
- 3.4 As for **CPI inflation** itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

### 4. Overall Treasury Position as at 31 March 2019

- 4.1 At the beginning and the end of 2018/19 the Council's treasury position was as follows:

<b>Investments</b>	<b>31 March 2018 Principal</b>	<b>Rate/Return for 2017/18</b>	<b>31 March 2019 Principal</b>	<b>Rate/Return for 2018/19</b>
	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
Short term - fixed	3,000,000	0.59	-	-
Money Market Funds	3,200,000	0.25	9,300,000	0.64%
Property Fund Investments	484,000	3.10	491,472	3.25%
<b>Total</b>	<b>6,684,000</b>		<b>9,791,472</b>	

- 4.2 The following is a list of our investments at 31 March 2019.

#### **Fixed Term Deposits**

The Council had no fixed term deposits at 31 March 2019.

## **Money Market Funds**

<b>Amount</b>	<b>Investment</b>	<b>Interest rate</b>
£3,000,000	Ignis Sterling Liquidity	0.65%
£3,000,000	LGIM Sterling Liquidity Fund	0.64%
£300,000	Deutsche	0.64%
£3,000,000	BlackRock	0.65%

## **Property Funds**

<b>Amount</b>	<b>Investment</b>	<b>Dividend Yield</b>
£491,472	CCLA – Property Fund	3.25%

- 4.3 At Council in February 2017, it was approved (Minute CM54 and HC50) that a sum of £500,000 be used to invest in CCLA's (CCLA Investment Management Limited) Local Authorities Property Fund, with the investment being placed in April 2017.
- 4.4 The investment was made with a view to a long term commitment. The bid market value as at 31 March 2019 for the Council's investment was £491,472.

## **5. The Strategy for 2018/19**

### **Investment strategy and control of interest rate risk**

- 5.1 Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018/19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the MPC would raise Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018.
- 5.2 It was not expected that the MPC would raise Bank Rate again during 2018/19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019.
- 5.3 Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.

- 5.4 Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 5.5 The Treasury Management Strategy Report for 2018/19 was approved by the Council on 27 March 2018 (Minute – CM70).

### **The Borrowing Requirement and Debt**

- 5.6 The Council’s underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

	31-Mar-18 Actual	31-Mar-19 Budget	31-Mar-19 Actual
CFR General Fund (£m)	4,240	42,680	26,570

- 5.7 During 2018/19 the Council undertook prudential borrowing totaling £23.2 million for commercial property and the leisure investment. This reflects the increase in the actual Capital Financing Requirement for 2018/19.
- 5.8 The Capital Financing Requirement estimate for 2018/19 was increased by £37.45 million to reflect the recommendations within the commercial property acquisition strategy. Note: The Council purchased four commercial properties during 2018/19, but the budget reflects the approved strategy.

### **Borrowing strategy and control of interest rate risk**

- 5.9 During 2018/19, the Council’s capital borrowing need, (the Capital Financing Requirement), was fully funded with loan debt.
- 5.10 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.
- 5.11 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

5.12 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Strategic Finance Lead (S.151 Officer) therefore monitored interest rates in financial markets and adopted a pragmatic approach to changing circumstances:

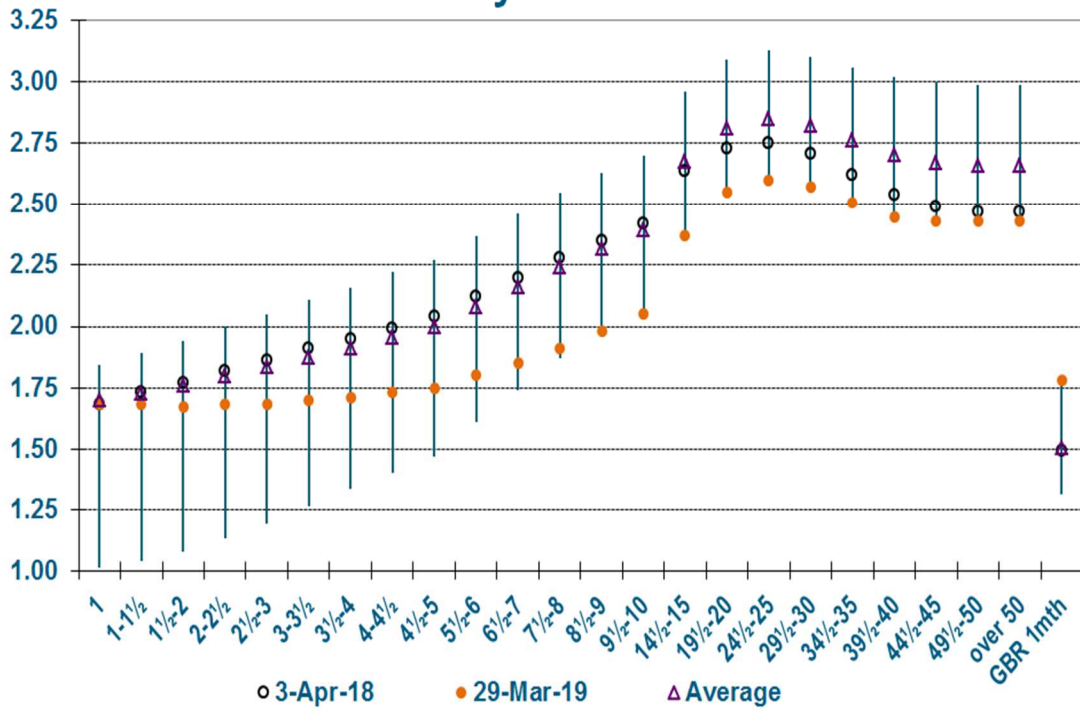
- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

5.13 Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2018/19 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Asset Services Interest Rate View 2.1.18													
	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%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%
5yr PWLB rate	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%
10yr PWLB rate	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%
25yr PWLB rate	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%
50yr PWLB rate	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%

5.14 PWLB borrowing rates - the graph below shows, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.

## PWLB certainty rate variations in 2018-19



	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2018	1.48%	1.85%	2.23%	2.57%	2.29%
29/03/2019	1.48%	1.55%	1.85%	2.40%	2.23%
Low	1.28%	1.50%	1.80%	2.33%	2.16%
Date	29/05/2018	26/03/2019	28/03/2019	26/03/2019	26/03/2019
High	1.64%	2.07%	2.50%	2.93%	2.79%
Date	04/10/2018	10/10/2018	10/10/2018	10/10/2018	12/10/2018
Average	1.50%	1.80%	2.20%	2.66%	2.47%

## 6. Borrowing Outturn for 2018/19

6.1 Details of the loans outstanding at 31 March 2019 are shown below:

<b>Lender</b>	<b>Purpose</b>	<b>Maturity</b>	<b>Interest Rate %</b>	<b>Principal held at 31 March 2018 £'000</b>	<b>Principal held at 31 March 2019 £'000</b>
PWLB - Maturity	Kilworthy Park	45 Years	4.55	2,100	2,100
PWLB - Annuity	Waste Fleet	9 Years	1.92	2,650	2,378
PWLB - Annuity	Leisure Investment	22 Years	1.95	-	1,500
PWLB - Annuity	Commercial Property - Bristol House	50 Years	2.65	-	12,628
PWLB - Annuity	Commercial Property - Okehampton	50 Years	2.60	-	3,582
PWLB - 23 maturity loans	Commercial Property - Heron Road	49 Years	2.54*	-	3,592
PWLB - Annuity	Commercial Property - Plymouth	50 Years	2.31	-	1,800
<b>Total</b>				<b>4,750</b>	<b>27,580</b>

\*Average interest rate

### Repayments

6.2 During 2018/19 the Council repaid interest of £601,000 at an average rate of 2.65%.

### Borrowing in advance of need

6.3 The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

## **Debt rescheduling**

- 6.4 No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

## **7. Investment Outturn for 2018/19**

- 7.1 **Investment Policy** – the Council’s investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 27 March 2018 (Minute - CM70). This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).
- 7.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 7.3 Income from investments this year was £91,001 which is £680 higher than the budget of £90,321 at an average return of 0.83%. The comparable performance indicator (Benchmark) is the average 7-day LIBID rate which was 0.51%. Therefore the Council achieved 0.32% return on investments over the benchmark for 18/19.

## **8. Other Issues 2018/19**

### **Revised CIPFA Code**

- 8.1 The 2018/19 Code of Practice on Local Authority Accounting has adopted IFRS 9 Financial Instruments. As a result of the implementation of IFRS 9, the Council’s Draft Accounts reflect an irrevocable election to designate the CCLA investment as fair value through other comprehensive income. These investments are eligible for the election because they meet the definition of equity instruments in paragraph 11 of IAS32 and are neither held for trading (the Council holds this investment as a long term strategic investment) nor contingent consideration recognised by an acquirer in a business combination to which IFRS3 applies. They are not considered to be puttable instruments because the Council does not have a contractual right to put the instrument back to the issuer for cash.
- 8.2 This election means there is no impact on the revenue budget. Any gains or losses on the valuation of the CCLA investment will therefore be transferred to a Financial Instruments Revaluation Reserve until they are realised.

## 9. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Statutory powers are provided by the Local Government Act 1972 Section 151 and the Local Government Act 2003
Financial Implications to include reference to value for money	Y	Income from Treasury Management activities amounted to £91,001 in 2018/19. Consideration of the Annual Treasury Report forms an essential component of the Council's systems for public accountability. It also provides a platform for future investment planning.
Risk	Y	<p>The security risk is the risk of failure of a counterparty. The liquidity risk is that there are liquidity constraints that affect the interest rate performance. The yield risk is regarding the volatility of interest rates/inflation.</p> <p>The Council has adopted the CIPFA Code Of Practice for Treasury Management and produces an Annual Treasury Management Strategy and Investment Strategy in accordance with CIPFA guidelines.</p> <p>The Council engages a Treasury Management advisor and a prudent view is always taken regarding future interest rate movements. Investment interest income is reported quarterly to SLT and Members.</p>
Supporting Corporate Strategy		The income from treasury management supports all the Council's corporate strategy themes.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None directly arising from this report.
Safeguarding	N	None directly arising from this report.
Community Safety, Crime and Disorder	N	None directly arising from this report.
Health, Safety and Wellbeing	N	None directly arising from this report.



Other implications	N	None directly arising from this report.
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## **Supporting Information**

### **Appendices:**

Appendix A – Lending list as at 29 March 2019  
Appendix B - Prudential and Treasury Indicators 2018/19

### **Background Papers:**

Annual treasury strategy in advance of the year (Council 27 March 2018 – CM70)  
A mid-year treasury update report (Audit Committee 22 January 2019 – AC30)

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>Yes</b>

## APPENDIX A

Counterparty as at 29th Mar 2019		Fitch Rating				Moody's Ratings				S&P Ratings		Suggested Duration		
		Long Term	Short Term	Viability	Support	Long Term	Short Term	Long Term	Short Term					
<b>United Kingdom</b>														
<b>AAA Rated and Government Backed Securities</b>	Collateralised LA Deposit*											Y - 60 mths		
	Debt Management Office											Y - 60 mths		
	Multilateral Development Banks											Y - 60 mths		
	Supranationals											Y - 60 mths		
	UK Gilts											Y - 60 mths		
<b>Banks</b>	Abbey National Treasury Services	NW	A	F1		1	SB	Aa3		P-1			R - 6 mths	
	Bank of Scotland PLC (RFB)	NW	A+	F1	a	5	SB	Aa3		P-1	SB	A+	A-1	O - 12 mths
	Barclays Bank PLC (NRFB)	NW	A+	F1	a	5	SB	A2		P-1	SB	A	A-1	R - 6 mths
	Barclays Bank UK PLC (RFB)	NW	A+	F1	a	1	SB	A1		P-1	SB	A	A-1	R - 6 mths
	Close Brothers Ltd	NW	A	F1	a	5	SB	Aa3		P-1				R - 6 mths
	Goldman Sachs International Bank	SB	A	F1		1	NO	A1		P-1	SB	A+	A-1	R - 6 mths
	Handelsbanken Plc	SB	AA	F1+		1					SB	AA-	A-1+	O - 12 mths
	HSBC Bank PLC (NRFB)	NW	AA-	F1+	a+	1	SB	Aa3		P-1	SB	AA-	A-1+	O - 12 mths
	HSBC UK Bank Plc (RFB)	NW	AA-	F1+	a	1					SB	AA-	A-1+	O - 12 mths
	Lloyds Bank Corporate Markets Plc (NRFB)	NW	A	F1		1	SB	A1		P-1	SB	A	A-1	R - 6 mths
	Lloyds Bank Plc (RFB)	NW	A+	F1	a	5	SB	Aa3		P-1	SB	A+	A-1	O - 12 mths
	NatWest Markets Plc (NRFB)	NW	A	F1	WD	1	PO	Baa2		P-2	PO	BBB+	A-2	G - 100 days
	Santander UK PLC	NW	A+	F1	a	2	PO	Aa3		P-1	SB	A	A-1	R - 6 mths
	Standard Chartered Bank	SB	A+	F1	a	5	SB	A1		P-1	SB	A	A-1	R - 6 mths
	Sumitomo Mitsui Banking Corporation	SB	A	F1		1	SB	A1		P-1	PO	A	A-1	R - 6 mths
<b>Building Societies</b>	Coventry Building Society	NW	A	F1	a	5	SB	A2		P-1				R - 6 mths
	Leeds Building Society	NW	A-	F1	a-	5	SB	A3		P-2				G - 100 days
	Nationwide Building Society	NW	A	F1	a	5	NO	Aa3		P-1	PO	A	A-1	R - 6 mths
	Skipton Building Society	NW	A-	F1	a-	5	PO	Baa1		P-2				G - 100 days
	Yorkshire Building Society	NW	A-	F1	a-	5	SB	A3		P-2				G - 100 days
<b>Nationalised and Part Nationalised Banks</b>	National Westminster Bank PLC (RFB)	NW	A+	F1	a	5	PO	A1		P-1	PO	A-	A-2	B - 12 mths
	Royal Bank of Scotland Group Plc (RFB)	NW	A+	F1	a	5	PO	A1		P-1	PO	A-	A-2	B - 12 mths

Watches and Outlooks		Duration	
SB	Stable Outlook	Yellow - Y	60 Months
NO	Negative Outlook	Blue - B	12 Months
NW	Negative Watch	Orange - O	12 Months
PO	Positive Outlook	Red - R	6 Months
PW	Positive Watch	Green - G	100 Days
EO	Evolving Outlook		
EW	Evolving Watch		

## APPENDIX B

### **PRUDENTIAL AND TREASURY INDICATORS 2018/19**

The Council's capital expenditure plans are the key driver of treasury management activity. The outputs of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members to overview and confirm capital expenditure plans.

#### **Capital Expenditure**

This prudential Indicator is a summary of the Council's capital expenditure.

	<b>2017/18 Actual £000</b>	<b>2018/19 Estimate £000</b>	<b>2018/19 Actual £000</b>
General Fund services	3,214	968	2,204
Capital investments*	0	33,730	21,379
<b>TOTAL</b>	<b>3,214</b>	<b>34,698</b>	<b>23,583</b>

\*Capital investments relate to areas such as capital expenditure on investment properties.

The table below summarises the financing of the Council's capital programme.

	<b>2017/18 Actual £000</b>	<b>2018/19 Estimate £000</b>	<b>2018/19 Actual £000</b>
External sources	331	515	429
Own resources	317	0	330
Debt	2,566	34,183	22,824
<b>TOTAL</b>	<b>3,214</b>	<b>34,698</b>	<b>23,583</b>

*NB. Please note that the estimate for 2018/19 represents the approved capital programme for that year. However, actual capital spend includes not only expenditure on projects within that capital programme, but also expenditure on schemes carried forward from previous capital programmes.*

The Capital expenditure estimate for 2018/19 was increased to reflect the recommendations within the commercial property acquisition strategy. Note: The Council purchased four commercial properties during 2018/19, but the budget reflects the approved strategy.

### **The Council's Borrowing Need (the Capital Financing Requirement)**

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt.

	<b>2017/18 Actual £000</b>	<b>2018/19 Estimate £000</b>	<b>2018/19 Actual £000</b>
General Fund services	4,240	5,230	5,371
Capital investments	0	37,450	21,199
<b>TOTAL CFR</b>	<b>4,240</b>	<b>42,680</b>	<b>26,570</b>

### **The Council's Gross Debt and the Capital Financing Requirement**

Statutory guidance states that debt should remain below the capital financing requirement, except in the short-term. As can be seen from the indicator below, the debt is slightly higher than the CFR by £1.01m but this is only a short term position as the gross debt will reduce in 2019/20.

	<b>2017/18 Actual £000</b>	<b>2018/19 Estimate £000</b>	<b>2018/19 Actual £000</b>
Debt	4,750	42,680	27,580
Capital Financing Requirement	4,240	42,680	26,570

## **AFFORDABILITY PRUDENTIAL INDICATORS**

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans.

These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

### **Ratio of financing costs to net revenue stream**

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

The financing costs were increased in the 2018/19 estimate to reflect the proposals within the commercial property acquisition strategy, and therefore increased this indicator. These proposals will now take place in 2018/19 and 2019/20.

	<b>2017/18 Actual</b>	<b>2018/19 Estimate</b>	<b>2018/19 Actual</b>
Financing costs (£m)	81,140	1,557,838	1,004,143
Proportion of net revenue stream	1.1%	21.3%	13.7%

## **TREASURY INDICATORS: LIMITS TO BORROWING ACTIVITY**

**The Operational Boundary** – This is the limit beyond which external debt is not normally expected to exceed. This is the maximum level of external debt for cash flow purposes.

<b>Operational Boundary</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
Borrowing	45,000,000	47,500,000
Other long term liabilities	-	-
Total	45,000,000	47,500,000

**The Authorised Limit for External Debt** – A further key prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This provides headroom over and above the operational boundary for unusual cash movements. This is the maximum amount of money that the Council could afford to borrow.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

<b>Authorised limit</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
Borrowing	48,000,000	50,500,000
Other long term liabilities	-	-
<b>Total</b>	<b>48,000,000</b>	<b>50,500,000</b>

West Devon Borough Council's current level of borrowing as at 31 March 2019 was £27.58 million.

The maturity analysis of fixed rate borrowing is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period:

<b>Refinancing rate risk indicator</b>	<b>Approved minimum limits</b>	<b>Approved maximum limits</b>	<b>Actual 31 March 2018</b>		<b>Actual 31 March 2019</b>	
			<b>£million</b>	<b>%</b>	<b>£million</b>	<b>%</b>
Less than 1 year	0%	10%	0	0	0.514	1.9
Between 1 and 2 years	0%	10%	0.272	5.7	0.508	1.8
Between 2 and 5 years	0%	30%	0.849	17.9	1.675	6.1
Between 5 and 10 years	0%	50%	1.529	32.2	2.519	9.1
More than 10 years	0%	100%	2.100	44.2	22.365	81.1
<b>Total</b>			<b>4.750</b>	<b>100.0</b>	<b>27.581</b>	<b>100.0</b>

# Agenda Item 8

Report to: **Audit Committee**  
Date: **23 July 2019**  
Title: **Budget Book 2019/20**  
Portfolio Area: **Performance & Resources – Cllr C Edmonds**

Wards Affected: **ALL**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Pauline Henstock** Role: **Head of Finance Practice**  
**Steve Williams** **Specialist - Accountant**

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## **Recommendations:**

### **That the Audit Committee:**

1. Notes the content of the Budget Book for 2019/20.

## **1. Executive summary**

Attached is a copy of the Budget Book for 2019/20. This sets out the Council's Revenue Budget for the year into the four areas of Commercial Services, Customer First, Strategy and Commissioning and Support Services.

## **2. Background**

The Budget Book compares the Budget for 2018/19 against the Budget for 2019/20. Cost pressures and savings which were set out in the Medium Term Financial Strategy (MTFS) and agreed as part of the budget process are shown in the 'MTFS' column, with a note underneath. For example, income from investments in commercial property was increased

by £100,000 for 2019/20 and this is shown in Cost Centre W1104 Land & Investment Properties.

The figures in the Budget Book are now final, and include salary estimates with a separate column showing the movement between 2018/19 and 2019/20.

The Budget Book shows any 'virements' within 2018/19. A virement is where a budget is moved from one budget holder (and cost centre) to another, to better reflect where budget responsibility should be held. Virements always net to zero.

### 3. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council is legally required to set a Balanced Budget each financial year.
Financial Implications to include reference to value for money	Y	There are no direct financial implications as a result of this report.  The annual budget setting process will ensure the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Council's auditors, Grant Thornton, provide an annual value for money opinion for the Borough Council, which will be reported to Members at this Audit Committee meeting.
Risk	Y	The Council's budget book sets out the income and expenditure budgeted for each service area. A prudent level of reserves is held by the Council to mitigate against financial risk.
Supporting Corporate Strategy		The budget book report supports all six of the Corporate Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	N/a
Safeguarding	N	N/a
Community Safety, Crime and Disorder	N	N/a
Health, Safety and Wellbeing	N	N/a
Other implications	N	none



## **Supporting Information**

Appendix A – Budget Book Summary 2019/20

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	<b>N/a</b>

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West Devon Borough Council										
Budget for the Financial Year 2019/20										
	Service Group	18/19 Base Net Budget	18/19 Virements	18/19 Revised Net Budget	19/20 MTFS Pressures/ (Savings)	Budget Changes to reflect the Waste & Cleansing Contract	19/20 Budget Preparation Virements	19/20 Salary Estimate Virements	19/20 Price Inflation Allocation	19/20 Net Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
a)	Customer First	2,417,362	(323,877)	2,093,485	(106,300)	0	(643,000)	(42,970)	18,800	1,320,015
b)	Strategy and Commissioning	676,610	975	677,585	17,500	0	4,000	(13,115)	0	685,970
c)	Commercial Services	2,202,280	(316,200)	1,886,080	(257,000)	0	0	7,000	21,700	1,657,780
d)	Support Services	2,571,731	639,102	3,210,833	110,600	0	639,000	49,085	(40,500)	3,969,018
		7,867,983	0	7,867,983	(235,200)	0	0	0	0	7,632,783
	Reversal of Depreciation	(554,188)								(554,188)
	<b>Net Budget Total</b>	<b>7,313,795</b>	<b>0</b>	<b>7,867,983</b>	<b>(235,200)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,078,595</b>
	<b>Funded by:</b>									
	Localised Business Rates (Note 1)	2,049,573								1,620,367
	Business Rates Pilot Gain	460,000								0
	Council Tax (an increase of 2.99% in 19/20 was approved)	4,524,706								4,673,499
	Collection Fund Surplus	96,000								84,000
	Rural Services Delivery Grant (Note 1)	0								464,365
	New Homes Bonus	560,000								375,000
	National Business Rates Levy Surplus	0								25,000
	Less: Contribution to Earmarked Reserves	(60,000)								(120,000)
	Less: Contribution to Future Financial Stability Earmarked Reserve	(316,484)								(43,635)
		<b>7,313,795</b>								<b>7,078,595</b>
	<b>Note 1 - Rural services Delivery Grant of £464,365 has been included within the Business Rates baseline in 2018/19, as part of the Business Rates Pilot.</b>									
a)	Customer First	18/19 Base Net Budget	18/19 Virements	18/19 Revised Net Budget	MTFS 19/20 Pressures/ (Savings)	Budget Changes to reflect the Waste & Cleansing Contract	19/20 Budget Preparation Virements	19/20 Salary Estimate Virements	19/20 Price Inflation Allocation	19/20 Net Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
W1010	Customer Contact Centre	154,872	68,628	223,500	7,700	0	0	21,100	0	252,300
W1013	Localities	207,000	20,500	227,500	9,500	0	0	(10,800)	1,300	227,500
W1014	Case Management	958,606	(13,600)	945,006	23,000	0	0	(72,800)	0	895,206
W1015	Specialists	794,000	(15,690)	778,310	48,600	0	0	51,290	0	878,200
W1020	Planning Applications & Advice	(301,295)	0	(301,295)	(53,500)	0	0	0	0	(354,795)
W1040	Local Land Charges	(88,806)	0	(88,806)	0	0	0	0	0	(88,806)
W1060	Community Development	51,400	0	51,400	6,600	0	0	0	0	58,000
W1102	Tamar Valley Trust	48,082	0	48,082	0	0	0	0	900	48,982

West Devon Borough Council										
Budget for the Financial Year 2019/20										
	Service Group	18/19 Base Net Budget	18/19 Virements	18/19 Revised Net Budget	19/20 MTFS Pressures/ (Savings)	Budget Changes to reflect the Waste & Cleansing Contract	19/20 Budget Preparation Virements	19/20 Salary Estimate Virements	19/20 Price Inflation Allocation	19/20 Net Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
W1104	Land & Investment Properties	0	(328,000)	(328,000)	(100,000)	0	(643,000)	0	0	(1,071,000)
W1161	Kilworthy Park Offices	275,651	(1,300)	274,351	3,900	0	0	(400)	10,900	288,751
W1200	Public Transport Assistance	20,785	0	20,785	(7,600)	0	0	0	0	13,185
W1250	CoP Leads & Group Manager	140,000	1,560	141,560	10,000	0	0	(8,760)	0	142,800
W1306	Countryside Recreation	10,080	0	10,080	0	0	0	0	0	10,080
W1310	Leisure Centres	390,343	(57,475)	332,868	0	0	0	0	0	332,868
W1311	Outdoor Sports and Recreation	16,510	0	16,510	(1,700)	0	0	0	0	14,810
W1400	Other Employment Estates	(10,528)	0	(10,528)	0	0	0	(22,600)	3,900	(29,228)
W1501	General Health	14,970	0	14,970	(800)	0	0	0	0	14,170
W1503	Public Health	(9,700)	9,700	0	0	0	0	0	0	0
W1531	Licensing	(84,351)	(6,200)	(90,551)	0	0	0	0	0	(90,551)
W1533	Pest Control	14,493	0	14,493	0	0	0	0	1,000	15,493
W1534	Pollution Control	(3,471)	0	(3,471)	0	0	0	0	800	(2,671)
W1535	Food Safety	5,698	(5,000)	698	0	0	0	0	0	698
W1536	Health & Safety at Work	0	1,500	1,500	0	0	0	0	0	1,500
W1544	Community Safety	5,000	1,500	6,500	0	0	0	0	0	6,500
W1545	Emergency Planning	5,370	0	5,370	0	0	0	0	0	5,370
W1551	Homelessness	128,547	0	128,547	(12,000)	0	0	0	0	116,547
W1552	Housing Advice	1,200	0	1,200	0	0	0	0	0	1,200
W1553	Housing Enabling	240	0	240	0	0	0	0	0	240
W1555	Private Sector Housing Renewal	15,700	0	15,700	(10,000)	0	0	0	0	5,700
W1565	Housing Benefit Payments	100,953	0	100,953	(50,000)	0	0	0	0	50,953
W1568	Housing Benefit Administration	(113,487)	0	(113,487)	20,000	0	0	0	0	(93,487)
W1571	Council Tax Collection	(274,500)	0	(274,500)	0	0	0	0	0	(274,500)
W1574	Council Tax Support	(56,000)	0	(56,000)	0	0	0	0	0	(56,000)
		<b>2,417,362</b>	<b>(323,877)</b>	<b>2,093,485</b>	<b>(106,300)</b>	<b>0</b>	<b>(643,000)</b>	<b>(42,970)</b>	<b>18,800</b>	<b>1,320,015</b>
<b>b)</b>	<b>Strategy and Commissioning</b>									
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
W1030	Economic Development	63,862	0	63,862	0	0	0	0	0	63,862
W3001	Electoral Registration	92,645	(500)	92,145	2,700	0	0	0	0	94,845
W3030	Staff Forum	0	5,000	5,000	0	0	0	0	0	5,000
W3041	Communications & Media CoP	65,230	(7,100)	58,130	(1,100)	0	0	0	0	57,030

Appendix A

West Devon Borough Council										
Budget for the Financial Year 2019/20										
	Service Group	18/19 Base Net Budget	18/19 Virements	18/19 Revised Net Budget	19/20 MTFS Pressures/ (Savings)	Budget Changes to reflect the Waste & Cleansing Contract	19/20 Budget Preparation Virements	19/20 Salary Estimate Virements	19/20 Price Inflation Allocation	19/20 Net Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
	Democratic Representation & Management	242,035	0	242,035	0	0	4,000	0	0	246,035
	Member Support & Democratic Services	72,650	(700)	71,950	1,500	0	0	(100)	0	73,350
	Waste & Place Strategy	60,500	(800)	59,700	5,000	0	0	(3,900)	0	60,800
	Performance & Intelligence	131,540	5,075	136,615	9,400	0	0	(9,115)	0	136,900
	Other Building Control Work	38,469	0	38,469	0	0	0	0	0	38,469
	Interest & Investment Income	(90,321)	0	(90,321)	0	0	0	0	0	(90,321)
		<b>676,610</b>	<b>975</b>	<b>677,585</b>	<b>17,500</b>	<b>0</b>	<b>4,000</b>	<b>(13,115)</b>	<b>0</b>	<b>685,970</b>
c)	Commercial Services	18/19 Base Net Budget	18/19 Virements	18/19 Revised Net Budget	19/20 Pressures/ (Savings)	Budget Changes to reflect the Waste & Cleansing Contract	19/20 Budget Preparation Virements	19/20 Salary Estimate Virements	19/20 Price Inflation Allocation	19/20 Net Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
	Street Cleaning	482,681	0	482,681	(53,600)	24,864	0	0	0	453,945
	Car Parking (Note 2)	(726,428)	0	(726,428)	0	0	0	82,500	11,800	(632,128)
	Landscape Maintenance	139,727	0	139,727	0	0	0	0	6,200	145,927
	Dog Warden Service	3,122	0	3,122	0	0	0	0	200	3,322
	Public Conveniences	180,737	0	180,737	(59,700)	(5,873)	0	0	3,500	118,664
	Waste Collection & Recycling Contract	2,033,827	(337,000)	1,696,827	(160,700)	(18,991)	0	0	0	1,517,136
	Trade Waste	(15,000)	0	(15,000)	0	0	0	0	0	(15,000)
	Garden Waste Collection	(190,000)	0	(190,000)	0	0	0	0	0	(190,000)
	Waste Collection & Recycling Staffing	83,600	8,100	91,700	6,900	0	0	(19,900)	0	78,700
	Waste & Recycling Depots	49,814	15,000	64,814	0	0	0	0	0	64,814
	Other Commercial Services Staffing (Note 2)	160,200	(2,300)	157,900	10,100	0	0	(55,600)	0	112,400
		<b>2,202,280</b>	<b>(316,200)</b>	<b>1,886,080</b>	<b>(257,000)</b>	<b>0</b>	<b>0</b>	<b>7,000</b>	<b>21,700</b>	<b>1,657,780</b>
	<b>Note 2</b> - The salary budget for staff working 100% on car parking has been reallocated from Other Commercial Services Staffing to the Car Parking service.									
d)	Support Services	18/19 Base Net Budget	18/19 Virements	18/19 Revised Net Budget	19/20 Pressures/ (Savings)	Budget Changes to reflect the Waste & Cleansing Contract	19/20 Budget Preparation Virements	19/20 Salary Estimate Virements	19/20 Price Inflation Allocation	19/20 Net Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
	Chief Executive	129,925	(20,205)	109,720	(28,700)	0	0	18,505	0	99,525
	Corporate Training & Occ Health	22,183	(4,000)	18,183	(15,000)	0	0	0	0	3,183

West Devon Borough Council										
Budget for the Financial Year 2019/20										
	Service Group	18/19 Base Net Budget	18/19 Virements	18/19 Revised Net Budget	19/20 MTFS Pressures/ (Savings)	Budget Changes to reflect the Waste & Cleansing Contract	19/20 Budget Preparation Virements	19/20 Salary Estimate Virements	19/20 Price Inflation Allocation	19/20 Net Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
W4009	Non Distributed Costs (Pension Costs)	652,000	(36,058)	615,942	0	0	0	0	0	615,942
W4010	Price Inflation Provision	50,530	(35,866)	14,664	70,000	0	(14,664)	40,520	(70,000)	40,520
W4011	Steady State Provision	0	20,000	20,000	0	0	0	(8,800)	0	11,200
W4020	Invest to Earn Initiatives	(100,000)	100,000	0	0	0	0	0	0	0
W4041	Internal Audit	20,000	(2,500)	17,500	0	0	0	7,900	0	25,400
W4082	Landlines	27,970	(6,970)	21,000	0	0	0	0	0	21,000
W4084	ICT Software & Support Contracts	298,333	2,100	300,433	83,000	0	0	0	21,800	405,233
W4085	Mobile Phones	14,000	0	14,000	0	0	0	0	0	14,000
W4086	Client Hardware Replacement	42,084	0	42,084	0	0	0	0	0	42,084
W4087	Photocopiers	0	10,000	10,000	0	0	0	0	0	10,000
W4100	Human Resources CoP	42,940	(2,300)	40,640	(20,000)	0	0	1,600	0	22,240
W4109	Legal CoP	137,100	(2,600)	134,500	6,900	0	0	(4,500)	0	136,900
W4102	Design CoP	23,400	(100)	23,300	0	0	0	500	0	23,800
W4108	Finance CoP	161,663	(400)	161,263	3,400	0	0	1,100	0	165,763
W4104	ICT CoP	252,379	15,100	267,479	3,600	0	0	4,900	0	275,979
W4150	Support Services Case Management	284,550	(11,350)	273,200	9,700	0	42,000	(7,300)	0	317,600
W4166	Corporate Management	66,984	0	66,984	0	0	10,664	0	2,500	80,148
W4180	Support Services Mgmt & O'Heads	122,164	(9,224)	112,940	2,400	0	0	(7,040)	0	108,300
W4196	Customer Support	67,600	(12,000)	55,600	800	0	0	1,700	0	58,100
W4199	Central Service Overheads	10,642	(2,500)	8,142	0	0	0	0	0	8,142
W4200	Insurance	41,531	30,500	72,031	0	0	0	0	5,200	77,231
W6021	Parish Support Grant	106,753	0	106,753	(5,500)	0	(42,000)	0	0	59,253
W6040	Borrowing Costs	97,000	607,475	704,475	0	0	683,000	0	0	1,387,475
W6101	Business Rates Income	0	0	0	0	0	(40,000)	0	0	(40,000)
		<b>2,571,731</b>	<b>639,102</b>	<b>3,210,833</b>	<b>110,600</b>	<b>0</b>	<b>639,000</b>	<b>49,085</b>	<b>(40,500)</b>	<b>3,969,018</b>

Appendix A

Proposed Workplan for the Audit Committee for the 2019/20 financial year

Committee Meeting	Proposed workplan/timetable for Audit Committee 2019/20
29 October 2019	<ul style="list-style-type: none"> <li>i) Grant Thornton Update report;</li> <li>ii) Six monthly update – Strategic Risk Assessment;</li> <li>iii) Six monthly update – Strategic Debt review;</li> <li>iv) Commercial Property Monitoring Report;</li> <li>v) Internal Audit Charter &amp; Strategy; and</li> <li>vi) Update on Progress on the 2019/20 Internal Audit Plan.</li> </ul>
21 January 2020	<ul style="list-style-type: none"> <li>i) Grant Thornton Annual Audit Letter and Closure of the Audit Letter;</li> <li>ii) Grant Thornton Annual Grant Certification Letter;</li> <li>iii) Grant Thornton Update report; and</li> <li>iv) Update on progress on the 2019/20 Internal Audit Plan.</li> </ul>
24 March 2020	<ul style="list-style-type: none"> <li>i) Grant Thornton - External Audit Plan 2019/20;</li> <li>ii) Grant Thornton – Interim Audit Report 2019/20;</li> <li>iii) Grant Thornton Update report;</li> <li>iv) Treasury Management update ;</li> <li>v) 2020/21 Internal Audit Plan;</li> <li>vi) Commercial Property Monitoring Report;</li> <li>vii) Draft Budget Book 2020/21;</li> <li>viii) Cost Methodology for Shared Services 2019/20;</li> <li>ix) Annual Review of Council Constitution;</li> <li>x) Update on Progress on the 2019/20 Internal Audit Plan;</li> <li>xi) Six monthly update – Strategic Risk Assessment; and</li> <li>xii) Six monthly update – Strategic Debt review.</li> </ul>

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