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Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

Dydd Mercher, 23 Chwefror 2022

Hysbysiad o gyfarfod:

Cyngor Sir

**Dydd Iau, 3ydd Mawrth, 2022 at 2.00 pm,
Neuadd y Sir, Brynbuga – Cyfarfod o Bell**

AGENDA

Cynhelir gweddïau cyn y cyfarfod Cyngor am 13.50pm. Mae croeso i bob aelod ymuno â'r Cadeirydd ar gyfer hynny os ydynt yn dymuno gwneud hynny

Eitem No	Eitem	Tudalennau
1.	Ymddiheuriadau am absenoldeb	
2.	Datganiadau o Fuddiant	
3.	Cwestiynau Cyhoeddus	
4.	Cyhoeddiad y Cadeirydd ac unrhyw ddeisebau sydd wedi eu derbyn	
5.	Adroddiadau i'r Cyngor	
5.1.	CYLLIDBAU CYFALAF A REFENIW 2022/23 A CHYNNIG Y DRETH GYNGOR	1 - 14
5.2.	STRATEGAETH GYFALAF 2022/23 A'R STRATEGAETH RHEOLI TRYSORLYS 2022/23	15 - 72
5.3.	ASESIAD O ANGHENION Y BOBLOGAETH	73 - 146
5.4.	CYLLID BAND B YSGOLION YR 21AIN GANRIF: DATGANIAD GAN YR AELOD CABINET AR GYFER PLANT A PHOBL IFANC	
5.5.	SACRE: CYNHADLEDD CYLCH GORCHWYL A'R MAES LLAFUR A	147 - 152

GYTUNWYD

5.6.	ADDASU TREFNIADAU CRAFFU	153 - 172
5.7.	STRATEGAETH IAITH GYMRAEG 5 MLYNEDD 2022- 27	173 - 190
5.8.	AELODAETH Y PWYLLGOR SAFONAU	191 - 192
6.	CYNIGION I'R CYNGOR	
6.1.	Wedi ei gyflwyno gan y Cynghorydd Sir R. John	
	<p>Mae'r Cyngor hwn yn: Condemnio cynlluniau Ymddiriedolaeth GIG Gwasanaeth Ambiwllans Cymru i dynnu'r cerbydau ymateb cyflym o orsafoedd ambiwlans Trefynwy a Chas-gwent fel rhan o'r Adolygiad o'r Amserlen/Darpariaeth Genedlaethol.</p> <p>Yn credu fod israddio'r gorsafoedd yma yn mynd i roi bywydau trigolion yn Nhrefynwy, Cas-gwent a Chil-y-coed mewn mwy o beryg, a hynny ar adeg y mae'r targedau ar gyfer ymateb i alwadau categori A sy'n ymwneud gydag achosion o beryg bywyd eisoes yn cael eu colli, er gwaethaf ymdrechion gorau'r parafeddygon a'r gweithwyr GIG rhengflaen.</p> <p>Yn gwrthwynebu unrhyw gamau i israddio gorsafoedd ambiwlans yn Sir Fynwy ac yn galw ar Ymddiriedolaeth GIG Gwasanaeth Ambiwllans Cymru a Llywodraeth Cymru i ddileu'r cynlluniau yma.</p>	
6.2.	Wedi ei gyflwyno gan y Cynghorydd Sir J. Pratt	
	<p>Mae'r Cyngor hwn yn sir arfordirol falch ac yn fan dechrau Llwybr Arfordir Cymru. Rydym yn falch o gydnabod pwysigrwydd yr ecosystem forol a'n rôl fel rhanddeiliad a gwarcheidwad yr ecosystem. Dylid cyflwyno adroddiad i'r Cyngor o fewn 6 mis ar y cynnig hwn sydd yn cynnwys argymhellion priodol er mwyn sicrhau ein bod yn parhau i chwarae ein rhan yn sicrhau môr sydd yn lân, iachus a'n gynhyrchiol ar y cyd gyda'n hymrwymiad presennol i fynd i'r afael gyda'r argyfwng hinsawdd.</p>	
7.	Cwestiynau gan Aelodau	
8.	Adroddiadau i'r Cyngor	
8.1.	CYHOEDDI'R DATGANIAD POLISI CYFLOG	193 - 208
9.	Cofnodion o'r cyfarfod blaenorol	209 - 216
10.	Cyfarfod Nesaf: 17eg Mai 2022 (CCB)	

Paul Matthews
Prif Weithredwr

CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Cynghorwyr Sir:

D. Batrouni
J.Becker
D. Blakebrough
L.Brown
A.Davies
L.Dymock
A. Easson
C.Edwards
R. Edwards
D. Evans
M.Feakins
P.A. Fox
R.J.W. Greenland
M.Groucutt
L. Guppy
R. Harris
J. Higginson
G. Howard
S. Howarth
R.John
D. Jones
L.Jones
P. Jones
S. Jones
S.B. Jones
P. Jordan
M.Lane
P. Murphy
P.Pavia
M. Powell
J.Pratt
R.Roden
V. Smith
B. Strong
F. Taylor
T.Thomas
J.Treharne
J.Watkins
A. Watts
A. Webb
K. Williams
S. Woodhouse

Gwybodaeth Gyhoeddus

Mynediad i gopïau papur o agendâu ac adroddiadau

Gellir darparu copi o'r agenda hwn ac adroddiadau perthnasol i aelodau'r cyhoedd sy'n mynychu cyfarfod drwy ofyn am gopi gan Gwasanaethau Democrataidd ar 01633 644219. Dylid nodi fod yn rhaid i ni dderbyn 24 awr o hysbysiad cyn y cyfarfod er mwyn darparu copi caled o'r agenda hwn i chi.

Edrych ar y cyfarfod ar-lein

Gellir gweld y cyfarfod ar-lein yn fyw neu'n dilyn y cyfarfod drwy fynd i www.monmouthshire.gov.uk neu drwy ymweld â'n tudalen Youtube drwy chwilio am MonmouthshireCC. Drwy fynd i mewn i'r ystafell gyfarfod, fel aelod o'r cyhoedd neu i gymryd rhan yn y cyfarfod, rydych yn caniatáu i gael eich ffilmio ac i ddefnydd posibl y delweddau a'r recordiadau sain hynny gan y Cyngor.

Y Gymraeg

Mae'r Cyngor yn croesawu cyfraniadau gan aelodau'r cyhoedd trwy gyfrwng y Gymraeg neu'r Saesneg. Gofynnwn yn barchus i chi roi rhybudd digonol i ni er mwyn darparu ar gyfer eich anghenion.

Nodau a Gwerthoedd Cyngor Sir Fynwy

Ein diben

Adeiladu Cymunedau Cynaliadwy a Chydnerth

Amcanion y gweithiwn tuag atynt

- Rhoi'r dechrau gorau posibl mewn bywyd i bobl
- Sir lewyrchus a chysylltiedig
- Cynyddu i'r eithaf botensial yr amgylchedd naturiol ac adeiledig
- Llesiant gydol oes
- Cyngor gyda ffocws ar y dyfodol

Ein Gwerthoedd

Bod yn agored. Rydym yn agored ac yn onest. Mae pobl yn cael cyfle i gymryd rhan mewn penderfyniadau sy'n effeithio arnynt, dweud beth sy'n bwysig iddynt a gwneud pethau drostynt eu hunain/eu cymunedau. Os na allwn wneud rhywbeth i helpu, byddwn yn dweud hynny; os bydd yn cymryd peth amser i gael yr ateb, byddwn yn esbonio pam; os na allwn ateb yn syth, byddwn yn ceisio eich cysylltu gyda'r bobl a all helpu - mae adeiladu ymddiriedaeth ac ymgysylltu yn sylfaen allweddol.

Tegwch. Darparwn gyfleoedd teg, i helpu pobl a chymunedau i ffynnu. Os nad yw rhywbeth yn ymddangos yn deg, byddwn yn gwrandao ac yn esbonio pam. Byddwn bob amser yn ceisio trin pawb yn deg ac yn gyson. Ni allwn wneud pawb yn hapus bob amser, ond byddwn yn ymrwymo i wrando ac esbonio pam y gwnaethom weithredu fel y gwnaethom.

Hyblygrwydd. Byddwn yn parhau i newid a bod yn hyblyg i alluogi cyflwyno'r gwasanaethau mwyaf effeithlon ac effeithiol. Mae hyn yn golygu ymrwymiad gwirioneddol i weithio gyda phawb i groesawu ffyrdd newydd o weithio.

Gwaith Tîm. Byddwn yn gweithio gyda chi a'n partneriaid i gefnogi ac ysbrydoli pawb i gymryd rhan fel y gallwn gyflawni pethau gwych gyda'n gilydd. Nid ydym yn gweld ein hunain fel 'trefnwyr' neu ddatrysyr problemau, ond gwnawn y gorau o syniadau, asedau ac adnoddau sydd ar gael i wneud yn siŵr ein bod yn gwneud y pethau sy'n cael yr effaith mwyaf cadarnhaol ar ein pobl a lleoedd.

Caredigrwydd – Byddwn yn dangos caredigrwydd i bawb yr ydym yn gweithio gyda nhw, gan roi pwysigrwydd perthnasoedd a'r cysylltiadau sydd gennym â'n gilydd wrth wraidd pob rhyngweithio.



REPORT

SUBJECT: COUNCIL TAX RESOLUTION and REVENUE AND CAPITAL BUDGETS FOR 2022/23

DIRECTORATE: Resources

MEETING: Council

DATE: 3rd March 2022

DIVISION/WARDS AFFECTED: All

1. PURPOSE

- Page 1
- 1.1 The Council is bound by Statute to specific timescales for Council Tax setting and is also required to make certain defined resolutions. The recommendations that form the major part of this report are designed to comply with those Statutory Provisions.
 - 1.2 The recommended resolutions also draw together the Council Tax implications of precepts proposed by the Office of Police and Crime Commissioner for Gwent and Town and Community Councils, thereby enabling the County Council to establish its headline Council Tax levels at the various property bands within each Town or Community area.

2. RECOMMENDATIONS

- 2.1 That the outcome of the final Local Government Settlement from Welsh Government is noted.
- 2.2 That the revenue and capital budget estimates for the year 2022/23 as attached in Appendix 1 to 3 be approved.
- 2.3 It be noted that, at its meeting on 2nd March 2022, Cabinet calculated the amounts set out below for the year 2022/23 in accordance with sections 32 and 33 of the Local Government Finance Act 1992 ("the Act").

For information, sections 32 and 33 of the 1992 Act have been extensively amended by Schedule 12 to the [Local Government \(Wales\) Act 1994](#). Both are further amended by the [Local Authorities \(Alteration of Requisite Calculations\) \(Wales\) Regulations 2002](#) (the

“2002 regulations”) and the [Local Authorities \(Alteration of Requisite Calculations\) \(Wales\) Regulations 2013](#). Section 33 is further amended by the [Local Government Reorganisation \(Calculation of Basic Amount of Council Tax\) \(Wales\) Order 1996](#).

The calculated amounts also take account of the conclusion of the boundary review for the county, which comes into effect in 2022/23. Full details are contained within [The Monmouthshire \(Communities\) Order 2021 \(legislation.gov.uk\)](#).

All necessary legislative and statutory amendments have been taken into account in calculating the following amounts: -

- (a) 47,372.80 being the amount calculated by the Council, in accordance with Section 33 of the Act and The Regulations (as amended by Regulations 1999 no. 2935), as its Council Tax base for the year;
- (b) Part of the Council’s Area, being the amounts calculated by the Council, in accordance with Section 34 of the Act, as the amounts of its Council Tax base for the year for dwellings in those parts of the area to which one or more special items relate:

Community	Council Tax Base for 2022/23	Community	Council Tax Base for 2022/23
Abergavenny	5,184.70	Llantrissant Fawr	539.59
Caerwent	1,172.13	Magor with Undy	2,952.11
Caldicot	4,056.13	Mathern	601.80
Chepstow	5,627.09	Mitchell Troy	891.51
Crucorney	747.12	Monmouth	5,462.77
Devauden	713.60	Portskewett	1,221.39
Gobion Fawr	733.44	Raglan	1,153.63
Goetre Fawr	1,195.15	Rogiet	782.65
Grosmont	436.04	Shirenewton	754.24
Llanarth	513.76	St.Arvals	449.19
Llanbadoc	745.42	Skenfrith	420.59
Llanelly	2,024.91	Trellech	1,501.67
Llanfoist Fawr	1,910.87	Usk	1,394.12
Llangybi	869.85	Whitecastle	856.59
Llantillio Pertholey	1,782.45	Wye Valley	678.29
		Total	47,372.80

It is recommended that Council resolves:

2.4 That the following amounts be now calculated by the Council for the year 2022/23 in accordance with Sections 32 to 36 of the Act and sections 47 and 49 of the [Local Government Finance Act 1988](#) (as amended):

- (a) £185,386,607 being the aggregate of the amounts the Council estimates for the items set out in Section 32(2) (a) to (d) of the Act less the aggregate of the amounts the Council estimates for the items set out in Section 32 (3) (a) and (c) of the Act calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year
- (b) £112,274,938 being the aggregate of the sums which the Council estimates will be payable for the year into its Council fund in respect of redistributed non-domestic rates and revenue support grant in accordance with Section 33 (3)
- (c) £6,000 being the cost to the authority of discretionary non-domestic rate relief anticipated to be granted (under sections 47 and 49 of the [Local Government Finance Act 1988](#) , as amended)
- (d) £1,543.45 being the amount at 2.4(a) and 2.4(c) above less the amount at 2.4(b) above, all divided by the amount at 2.3(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year
- (e) £3,157,992 being the aggregate amount of all special items referred to in Section 34 of the Act (Town and Community Precepts)
- (f) £1,476.79 being the amount at 2.4(d) above less the result given by dividing the amount at 2.4(e) above by the amount at 2.3(a) above calculated by the Council in accordance with Section 34(2) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which no special item relates.
- (g) Part of the Council's Area, being the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amounts at 2.3(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which one or more special items relate:

Community Council	Precept Band D Equivalent £'s	Community Council	Precept Band D Equivalent £'s
Abergavenny	92.90	Llantrissant Fawr	21.55
Caerwent	46.65	Magor with Undy	101.14
Caldicot	95.15	Mathern	37.72
Chepstow	116.85	Mitchell Troy	20.19
Crucorney	23.49	Monmouth	78.44
Devauden	17.04	Portskewett	35.62
Gobion Fawr	15.68	Raglan	34.62
Goetre Fawr	30.96	Rogiet	69.93
Grosmont	55.48	Shirenewton	44.40
Llanarth	16.54	St.Arvals	60.78
Llanbadoc	37.23	Skenfrith	12.35
Llanelly	49.88	Trellech	19.98
Llanfoist Fawr	35.59	Usk	104.48
Llangybi	21.21	Whitecastle	12.36
Llantillio Pertholey	27.91	Wye Valley	47.93

- (h) The County Council Area, being the amounts given by multiplying the amount at 2.4(f) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Council Tax Band	A	B	C	D	E	F	G	H	I
Proportion	6	7	8	9	11	13	15	18	21
Council Tax Charge	984.53	1,148.61	1,312.70	1,476.79	1,804.97	2,133.14	2,461.32	2,953.58	3,445.84

- (i) Part of the Council's Area, being the amounts given by multiplying the amounts at 2.4(g) and 2.4(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the

number which in that proportion is applicable to dwellings listed in valuation Band D calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands: -

County Council plus Town/Community Council

	A	B	C	D	E	F	G	H	I
Abergavenny	1,046.46	1,220.87	1,395.28	1,569.69	1,918.51	2,267.33	2,616.15	3,139.38	3,662.61
Caerwent	1,015.63	1,184.89	1,354.17	1,523.44	1,861.99	2,200.52	2,539.07	3,046.88	3,554.69
Caldicot	1,047.96	1,222.62	1,397.28	1,571.94	1,921.26	2,270.58	2,619.90	3,143.88	3,667.86
Chepstow	1,062.43	1,239.49	1,416.57	1,593.64	1,947.79	2,301.92	2,656.07	3,187.28	3,718.49
Crucorney	1,000.19	1,166.88	1,333.58	1,500.28	1,833.68	2,167.07	2,500.47	3,000.56	3,500.65
Devauden	995.89	1,161.86	1,327.85	1,493.83	1,825.80	2,157.75	2,489.72	2,987.66	3,485.60
Gobion Fawr	994.98	1,160.81	1,326.64	1,492.47	1,824.13	2,155.79	2,487.45	2,984.94	3,482.43
Goetre Fawr	1,005.17	1,172.69	1,340.22	1,507.75	1,842.81	2,177.86	2,512.92	3,015.50	3,518.08
Grosmont	1,021.52	1,191.76	1,362.02	1,532.27	1,872.78	2,213.28	2,553.79	3,064.54	3,575.29
Llanarth	995.56	1,161.47	1,327.40	1,493.33	1,825.19	2,157.03	2,488.89	2,986.66	3,484.43
Llanbadoc	1,009.35	1,177.57	1,345.79	1,514.02	1,850.47	2,186.92	2,523.37	3,028.04	3,532.71
Llanelly	1,017.78	1,187.41	1,357.04	1,526.67	1,865.93	2,205.19	2,544.45	3,053.34	3,562.23
Llanfoist Fawr	1,008.26	1,176.29	1,344.34	1,512.38	1,848.47	2,184.55	2,520.64	3,024.76	3,528.88
Llangybi	998.67	1,165.11	1,331.55	1,498.00	1,830.89	2,163.78	2,496.67	2,996.00	3,495.33
Llantillio Pertholey	1,003.14	1,170.32	1,337.51	1,504.70	1,839.08	2,173.45	2,507.84	3,009.40	3,510.96
Llantrissant Fawr	998.90	1,165.37	1,331.86	1,498.34	1,831.31	2,164.27	2,497.24	2,996.68	3,496.12
Magor with Undy	1,051.96	1,227.27	1,402.60	1,577.93	1,928.59	2,279.23	2,629.89	3,155.86	3,681.83
Mathern	1,009.68	1,177.95	1,346.23	1,514.51	1,851.07	2,187.62	2,524.19	3,029.02	3,533.85
Mitchell Troy	997.99	1,164.31	1,330.65	1,496.98	1,829.65	2,162.30	2,494.97	2,993.96	3,492.95
Monmouth	1,036.82	1,209.62	1,382.42	1,555.23	1,900.84	2,246.44	2,592.05	3,110.46	3,628.87
Portskewett	1,008.28	1,176.31	1,344.36	1,512.41	1,848.51	2,184.59	2,520.69	3,024.82	3,528.95
Raglan	1,007.61	1,175.54	1,343.47	1,511.41	1,847.28	2,183.15	2,519.02	3,022.82	3,526.62
Rogiet	1,031.15	1,203.00	1,374.86	1,546.72	1,890.44	2,234.15	2,577.87	3,093.44	3,609.01
Shirenewton	1,014.13	1,183.14	1,352.17	1,521.19	1,859.24	2,197.27	2,535.32	3,042.38	3,549.44
St. Arvans	1,025.05	1,195.88	1,366.73	1,537.57	1,879.26	2,220.93	2,562.62	3,075.14	3,587.66
Skenfrith	992.76	1,158.22	1,323.68	1,489.14	1,820.06	2,150.98	2,481.90	2,978.28	3,474.66

Trellech	997.85	1,164.15	1,330.46	1,496.77	1,829.39	2,162.00	2,494.62	2,993.54	3,492.46
Usk	1,054.18	1,229.87	1,405.57	1,581.27	1,932.67	2,284.06	2,635.45	3,162.54	3,689.63
Whitecastle	992.77	1,158.22	1,323.69	1,489.15	1,820.08	2,150.99	2,481.92	2,978.30	3,474.68
Wye Valley	1,016.48	1,185.89	1,355.30	1,524.72	1,863.55	2,202.37	2,541.20	3,049.44	3,557.68

2.5 That it be noted for the year 2022/23 that the Office of Police and Crime Commissioner for Gwent has proposed, pending conclusion of the full scrutiny process, the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the dwellings shown above: -

Council Tax Band	A	B	C	D	E	F	G	H	I
Proportion	6	7	8	9	11	13	15	18	21
Council Tax Charge	202.53	236.29	270.04	303.80	371.31	438.82	506.33	607.60	708.87

2.6 That, having calculated the aggregate in each case of the amounts at 2.4(i) and 2.5 above, the Council, in accordance with Section 30(2) of the Act, hereby sets the following amounts as the amounts of Council Tax for the year 2022/23 for each of the categories of dwellings shown below: -

County Council plus Town/Community Council plus Police and Crime Commissioner

	A	B	C	D	E	F	G	H	I
Abergavenny	1,248.99	1,457.16	1,665.32	1,873.49	2,289.82	2,706.15	3,122.48	3,746.98	4,371.48
Caerwent	1,218.16	1,421.18	1,624.21	1,827.24	2,233.30	2,639.34	3,045.40	3,654.48	4,263.56
Caldicot	1,250.49	1,458.91	1,667.32	1,875.74	2,292.57	2,709.40	3,126.23	3,751.48	4,376.73
Chepstow	1,264.96	1,475.78	1,686.61	1,897.44	2,319.10	2,740.74	3,162.40	3,794.88	4,427.36
Crucorney	1,202.72	1,403.17	1,603.62	1,804.08	2,204.99	2,605.89	3,006.80	3,608.16	4,209.52
Devauden	1,198.42	1,398.15	1,597.89	1,797.63	2,197.11	2,596.57	2,996.05	3,595.26	4,194.47
Gobion Fawr	1,197.51	1,397.10	1,596.68	1,796.27	2,195.44	2,594.61	2,993.78	3,592.54	4,191.30
Goetre Fawr	1,207.70	1,408.98	1,610.26	1,811.55	2,214.12	2,616.68	3,019.25	3,623.10	4,226.95
Grosmont	1,224.05	1,428.05	1,632.06	1,836.07	2,244.09	2,652.10	3,060.12	3,672.14	4,284.16
Llanarth	1,198.09	1,397.76	1,597.44	1,797.13	2,196.50	2,595.85	2,995.22	3,594.26	4,193.30
Llanbadoc	1,211.88	1,413.86	1,615.83	1,817.82	2,221.78	2,625.74	3,029.70	3,635.64	4,241.58
Llanelly	1,220.31	1,423.70	1,627.08	1,830.47	2,237.24	2,644.01	3,050.78	3,660.94	4,271.10
Llanfoist Fawr	1,210.79	1,412.58	1,614.38	1,816.18	2,219.78	2,623.37	3,026.97	3,632.36	4,237.75
Llangybi	1,201.20	1,401.40	1,601.59	1,801.80	2,202.20	2,602.60	3,003.00	3,603.60	4,204.20
Llantillio Pertholey	1,205.67	1,406.61	1,607.55	1,808.50	2,210.39	2,612.27	3,014.17	3,617.00	4,219.83
Llantrissant Fawr	1,201.43	1,401.66	1,601.90	1,802.14	2,202.62	2,603.09	3,003.57	3,604.28	4,204.99
Magor with Undy	1,254.49	1,463.56	1,672.64	1,881.73	2,299.90	2,718.05	3,136.22	3,763.46	4,390.70
Mathern	1,212.21	1,414.24	1,616.27	1,818.31	2,222.38	2,626.44	3,030.52	3,636.62	4,242.72
Mitchell Troy	1,200.52	1,400.60	1,600.69	1,800.78	2,200.96	2,601.12	3,001.30	3,601.56	4,201.82
Monmouth	1,239.35	1,445.91	1,652.46	1,859.03	2,272.15	2,685.26	3,098.38	3,718.06	4,337.74
Portskewett	1,210.81	1,412.60	1,614.40	1,816.21	2,219.82	2,623.41	3,027.02	3,632.42	4,237.82
Raglan	1,210.14	1,411.83	1,613.51	1,815.21	2,218.59	2,621.97	3,025.35	3,630.42	4,235.49
Rogiet	1,233.68	1,439.29	1,644.90	1,850.52	2,261.75	2,672.97	3,084.20	3,701.04	4,317.88
Shirenewton	1,216.66	1,419.43	1,622.21	1,824.99	2,230.55	2,636.09	3,041.65	3,649.98	4,258.31
St. Arvans	1,227.58	1,432.17	1,636.77	1,841.37	2,250.57	2,659.75	3,068.95	3,682.74	4,296.53
Skenfrith	1,195.29	1,394.51	1,593.72	1,792.94	2,191.37	2,589.80	2,988.23	3,585.88	4,183.53
Trellech	1,200.38	1,400.44	1,600.50	1,800.57	2,200.70	2,600.82	3,000.95	3,601.14	4,201.33
Usk	1,256.71	1,466.16	1,675.61	1,885.07	2,303.98	2,722.88	3,141.78	3,770.14	4,398.50
Whitecastle	1,195.30	1,394.51	1,593.73	1,792.95	2,191.39	2,589.81	2,988.25	3,585.90	4,183.55
Wye Valley	1,219.01	1,422.18	1,625.34	1,828.52	2,234.86	2,641.19	3,047.53	3,657.04	4,266.55

- 2.7 That Mrs D Smith, Mr M Owen, Ms L Crump and Mrs S Knight of the Revenues Shared Service be authorised under Section 223 of the Local Government Act 1972 to prosecute and appear on behalf of Monmouthshire County Council in proceedings before a Magistrates Court for the purpose of applying for Liability Orders in respect of Council Tax and Non-Domestic Rates.

3. KEY ISSUES

- 3.1 The final revenue and capital budgets for 2022/23 were considered by Cabinet on 2nd March 2022. The final settlement will be announced ahead of this by Welsh Government on 1st March 2022. It is anticipated that the Minister will confirm that following consideration of consultation responses she did not identify any matters that required a change in the final settlement and that the late notification of the provisional settlement allowed all datasets to have been included at that stage. And furthermore confirmation that a funding floor will not be introduced, citing that Welsh Government has allocated all its available funding at the provisional stage. As was the case last year the absence of a floor was a lesser consideration for the Council and resulting from the above average increase in the settlement received.

- 3.2 There is still however a need to think differently about the even greater challenges over the medium term and this work and engagement will continue in the coming months, and notably with other local authorities, Welsh Government and the Welsh Local Government Association (WLGA) and where funding distribution and projections are concerned. Specifically, the Leader continues to garner support with the WLGA rural forum for an evidence based review of the funding formula to be undertaken to demonstrate how rural authorities are disadvantaged in the formula distribution.

- 3.3 Alongside this the ongoing financial challenges remain as always a dynamic situation. Subsequent to a new administration outlining its policy aims and ambitions post May a new Corporate Plan will inform and influence a full update of the Medium Term Financial Strategy and Plan later in 2022 and part of the preparations leading into the 2023/24 budget process. This comprehensive update will include an ongoing assessment of pressures, risks and modelling assumptions. As well as savings proposals and options that together with a robust and updated capital receipts and reserves strategy enables the Council's finances to be put on a sustainable footing. Notably key risks remaining to be assessed and managed in 2022/23 and as yet unknown are:

- a) The Council is grateful to Welsh Government for the continued funding provided to local authorities via its COVID Hardship Fund to offset significant COVID related expenditure and income losses to date. However, the COVID Hardship Fund ceases with effect from the 31st March 2022 and Welsh Government have confirmed that the settlement makes allowance for the residual impacts that Councils will continue to bear. That being said clarification is still being sought around further specific grant funding and where the Council carries specific risks into 2022/23. Notably around homelessness pressures and where the fragility of the social care system is concerned. Reserve cover will be established and that looks to take opportunity of the now anticipated under spend for the current 2021/22 financial year and to ensure that provision is in place to cover any resultant and residual risk that cannot be managed by way of in-year budget recovery action.

- b) A residual financial risk relates to the pay awards for local government staff and teaching staff. The Minister has already made it clear when issuing the provisional settlement that provision had been made for pay awards in the settlement and that no further funding would be provided subsequently. The implications of pay awards in 2022-23 will therefore need to be accommodated within the Council's budget planning and through reserve cover in place as required.

Local government pay is nationally set by Local Government Employers (LGE) and Teachers pay in Wales is set by the IWPRB (Independent Welsh Pay Review Body). Pay budgets have been built on a modelling assumption and pay award of 3.5%, with funding for schools provided for all pay and pension related pressures up to a pay award of 3%. Any increase in pay award above this will draw further on the Council's finances and therefore this remains a key risk. It is felt that the risk has been suitably mitigated and within the affordability constraints faced by the Council. However, a risk remains regardless given inflation and cost of living pressures playing out nationally. The Council awaits subsequent notification on pay from awarding bodies and that will now extend into 2022/23 and where pay awards are subject to consultation with trade unions.

- c) Clarification is still being sought on levels of specific revenue and capital grant funding for next year. It was hoped that further detail is provided when Welsh Government released the final settlement on 2nd March. Whilst further confirmation has been received around all-Wales grant allocation the Council is yet to receive confirmation of all of its specific allocations. This will be closely monitored in the coming weeks and any material impacts will be considered as part of in-year budget monitoring with recovery action being taken as required. Furthermore, and whilst the late and significant grant funding from Welsh Government is very much welcomed it does not aid financial planning over the medium term nor does it allow for effective decision making and where budget recovery action has to be taken to arrest over spends that are then subsequently offset by unexpected specific grant income.
- d) Demand-led pressures remain, as evidenced by the extent and level of pressures needing to be accommodated within these budget proposals. Ongoing budget monitoring and review of pressures will identify whether any further pressures need to be managed. As stated this is a dynamic situation to which the Authority will respond as any situation evolves.

- 3.4 In terms of setting council tax for 2022/23 statute requires that Council makes appropriate recommendations to prescribed timescales for setting the Council Tax payable for the coming financial year. The Council must also account for precepts made upon it by the Office of Police and Crime Commissioner for Gwent and by Town and Community Councils. Recommendation 2.6 discharges these obligations.
- 3.5 The Council is also required to authorise officers to undertake advance recovery action through the Courts where necessary. The authorising recommendation appears at 2.7 above.

4. OPTIONS APPRAISAL

Not applicable as this is a statutory report.

5. EVALUATION CRITERIA

Not applicable.

6. REASONS

6.1 To approve the summary revenue and capital budget for 2022/23.

6.2 To set the Council Tax for the 2022/23 financial year.

6.3 To discharge the Responsible Financial Officer's responsibilities under the Local Government Act 2003.

Page 108

RESOURCE IMPLICATIONS:

As identified in the report.

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

8.1 The equality and sustainability considerations on the budget proposals have been identified throughout the budget process and were taken into account by Cabinet when approving the budget on 2nd March 2022. The relevant information is contained in the papers for the Final Budget proposals for the 2022/23 Revenue and Capital Budget.

8.2 There are no safeguarding and corporate parenting implications associated with this report.

9. CONSULTEES:

This report arises from Councils approval of the 2022/23 budget proposals and contains the statutory decisions in relation to setting council tax for 2022/23. The budget has undergone considerable consultation to arrive at the recommendations today.

10. BACKGROUND PAPERS:

Revenue and Capital Budget 2022/23 - Final proposals following public consultation: Cabinet 2nd March 2022

11. AUTHORS:

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APPENDICES

Appendix 1 – Revenue Budget summary 2022/23 to 2025/26

Appendix 2 – Reconciliation through the 2022/23 revenue budget process

Appendix 3 – Capital Budget summary 2022/23 to 2025/26

Appendix 1 – Revenue Budget Summary

Services	Adjusted Base 2021/22 £000	Indicative Base 2022/23 £000	Indicative Base 2023/24 £000	Indicative Base 2024/25 £000	Indicative Base 2025/26 £000
Children & Young People	56,575	58,990	60,350	61,481	62,613
Social Care & Health	52,643	57,877	58,685	59,361	60,165
Enterprise	21,211	23,827	24,206	24,920	25,683
MonLife	3,968	4,430	4,676	4,913	5,157
Resources	6,378	7,023	7,292	7,509	7,732
Chief Executive's Unit	2,704	3,046	2,961	3,047	3,136
People & Governance	3,809	4,078	4,210	4,326	4,445
Corporate Costs & Levies	24,237	26,204	34,109	39,847	45,705
Sub Total	171,525	185,475	196,491	205,406	214,637
Transfers to reserves	195	188	63	63	63
Transfers from reserves	(172)	(494)	(88)	(88)	(88)
Treasury	6,417	7,050	8,123	8,586	9,168
Appropriations Total	6,441	6,744	8,098	8,561	9,143
Total Expenditure Budget	177,966	192,220	204,588	213,966	223,781
Aggregate External Financing (AEF)	(101,483)	(112,275)	(116,205)	(118,993)	(121,373)
Council Tax (MCC)	(60,078)	(62,596)	(65,069)	(67,639)	(70,311)
Council Tax (Gwent Police)	(13,451)	(14,191)	(14,752)	(15,334)	(15,940)
Council Tax (Community Councils)	(2,954)	(3,158)	(3,158)	(3,158)	(3,158)
Contribution to/(from) Council Fund	0	0	0	0	0
Sub Total Financing	(177,966)	(192,220)	(199,183)	(205,125)	(210,782)
(Headroom)/Shortfall	0	0	5,406	8,842	12,999

Appendix 2 – Reconciliation through the revenue budget process

	January 2022 Cabinet proposals							Final Settlement Changes		March 2022 Cabinet and Final budget recommendations to Council			
	Adjusted Base Budget 2021/22	Proposed savings	Identified Explicit Pressures	Budget Assumptions	Corporate Adjustments incl. reserves	Council Tax Income	Proposed Budget 2022/23	Adjustment to AEF	Settlement pressures / adjustments	Changes to Pressures	Changes to Savings	Final amendments	Final budget recommended
Net Expenditure Budgets													
Children and Young People	56,575		1,038	1,339	50		59,002				(11)	58,991	
Social Care and Health	52,643	(120)	4,599	1,450	124		58,696			(700)	(119)	57,877	
Enterprise	21,211	(959)	2,535	1,026	225		24,038			(100)	(112)	23,827	
Monlife	3,968		156	343			4,467				(37)	4,430	
Resources	6,378		1,066	303	20		7,767			(408)	(300)	7,023	
Chief Executive's unit	2,704	(33)	81	123	130		3,005			55	(14)	3,046	
People & Governance	3,809		124	164			4,097				(19)	4,078	
Corporate Costs & Levies	24,238	(442)	814		71		24,682			854	(275)	26,205	
Sub Total	171,525	(1,554)	10,413	4,749	620	0	185,753	0	0	(299)	(575)	185,476	
Appropriations	6,417				883		7,300				(250)	7,050	
Contributions to Earmarked reserves	195				(7)		188					188	
Contributions from Earmarked reserves	(172)				(323)		(494)					(494)	
Total Net Proposed Budget	177,966	(1,554)	10,413	4,749	1,174	0	192,747	0	0	(299)	(575)	192,220	
Funding Budgets													
Aggregate External Financing (AEF)	(101,483)			(10,792)			(112,275)					(112,275)	
Council Tax (MCC)	(60,078)					(3,126)	(63,204)				608	(62,596)	
Council Tax (Gwent Police)	(13,451)						(13,451)				(740)	(14,191)	
Council Tax (Community Councils)	(2,954)						(2,954)				(204)	(3,158)	
Council Fund Contribution	0				(863)		(863)				863	0	
Total Funding	(177,966)	0	0	(10,792)	(863)	(3,126)	(192,747)	0	0	0	0	527	(192,220)
Headroom/(shortfall)	0	(1,554)	10,413	(6,043)	311	(3,126)	0	0	0	(299)	(575)	874	0
	Council Tax 2021/22						2022/23 tax base	Council Tax 2022/23	%age increase				
Council tax recommendations	1,434.47						47,372.80	1,476.79	2.95%				

Appendix 3 - Capital Budget Summary 2022/23 to 2025/26

Capital Budget	Indicative Budget 2022/23	Indicative Budget 2023/24	Indicative Budget 2024/25	Indicative Budget 2025/26
Property Maintenance	1,653,357	1,653,357	1,653,357	1,653,357
Property Maintenance Fees	236,194	236,194	236,194	236,194
Upgrade School Kitchens	39,725	39,725	39,725	39,725
Asset Management Schemes	1,929,276	1,929,276	1,929,276	1,929,276
Access for all - Schools	50,000	50,000	50,000	50,000
Abergavenny 3-19 School	13,631,287	0	0	0
School Development Schemes	13,681,287	50,000	50,000	50,000
Footway Reconstruction	190,453	190,453	190,453	190,453
Street Lighting Defect Column Programme	171,408	171,408	171,408	171,408
Reconstruction of bridges & retaining walls	449,041	449,041	449,041	449,041
Safety fence upgrades	76,181	76,181	76,181	76,181
Signing upgrades & disabled facilities	38,091	38,091	38,091	38,091
Flood Alleviation Schemes	386,427	386,427	386,427	386,427
Structural Repairs - PROW	38,091	38,091	38,091	38,091
Carriageway resurfacing	1,136,540	1,136,540	1,136,540	1,136,540
Road safety & trafficman programme	129,508	129,508	129,508	129,508
Highways OPS: Minor improvements	812,000	812,000	812,000	812,000
Highways - additional infrastructure investment	627,000			
Tintern wireworks bridge	800,000			
Wye Bridge Chepstow	188,000	375,000		
Wye Bridge Monmouth	150,000	2,170,000		
Ash Dieback/Dangerous Trees	400,000	300,000	200,000	100,000
CCTV for bus fleet	200,000			
Infrastructure & Transport Schemes	5,792,740	6,272,740	3,627,740	3,527,740
Capital Region City Deal	330,400	602,900	730,200	730,200
Regeneration Schemes	330,400	602,900	730,200	730,200
County Farms Maintenance	300,773	300,773	300,773	300,773
County Farms Schemes	300,773	300,773	300,773	300,773
Disabled Facilities Grant	900,000	900,000	900,000	900,000
Access For All	250,000	250,000	250,000	250,000
Inclusion Schemes	1,150,000	1,150,000	1,150,000	1,150,000
SRS Data Hall Migration	203,000			
ICT Desktop replacement	260,000	260,000	260,000	260,000
Network Estate replacement	116,000	50,000	50,000	50,000
SRS capital reserve contribution	61,000	61,000	61,000	61,000
Ransomware & security software	42,000	42,000	42,000	42,000
ICT Schemes	682,000	413,000	413,000	413,000
Vehicle Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Capitalisation Directive	2,649,500	507,500	507,500	507,500
Capitalisation Directive	2,649,500	507,500	507,500	507,500
County Farms Fixed Asset Disposal Costs	50,000	50,000	50,000	50,000
Area Management	20,000	20,000	20,000	20,000
Match funding for Grant supported schemes	1,000,000	1,000,000	1,000,000	1,000,000
Match funding for Housing provision	2,000,000			
Other Schemes	3,070,000	1,070,000	1,070,000	1,070,000
Total Expenditure	31,085,977	13,796,190	11,278,490	11,178,490
Supported Borrowing	(2,431,000)	(2,431,000)	(2,431,000)	(2,431,000)
Unsupported (Prudential) Borrowing	(19,966,687)	(5,522,900)	(3,105,200)	(3,105,200)
Grants & Contributions	(3,592,731)	(2,438,000)	(2,438,000)	(2,438,000)
Reserve & Revenue Contributions	0	(103,000)	(103,000)	(103,000)
Capital Receipts	(3,595,559)	(1,801,290)	(1,701,290)	(1,601,290)
Vehicle Lease Financing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Total Funding	(31,085,977)	(13,796,190)	(11,278,490)	(11,178,490)
(Surplus) / Deficit	0	0	0	0



REPORT

SUBJECT:	2022/23 Capital Strategy and 2022/23 Treasury Management Strategy
DIRECTORATE:	Resources
MEETING:	Council
DATE:	3rd March 2022
DIVISION/WARDS AFFECTED:	Countywide

1. PURPOSE

- 1.1. The purpose of this report is to approve the Capital and Treasury management strategies including the Minimum revenue provision policy and borrowing & investment strategies for the 2022/23 financial year. The report summarises and highlights the key areas relating to the strategies, alongside those areas of key implications and risks resulting from it.

2. RECOMMENDATIONS

- 2.1. That Council approves the Capital strategy for 2022/23 as found at **Appendix 1**.
- 2.2. That Council approves the Treasury management strategy for 2022/23 as found at **Appendix 1**, including the:
- 2022/23 Minimum Revenue Provision Policy Statement
 - 2022/23 Investment & Borrowing Strategies
- 2.3. To approve the Prudential Indicators as outlined in sections 3 and 4 of the Treasury strategy shown in **Appendix 1** and that will be used in the performance monitoring of the treasury function during 2022/23.
- 2.4. That Council agrees that Governance & Audit Committee should continue to review the Council's treasury activities on behalf of the Council by receiving & scrutinising the mid-year report and year-end report and also scrutinising the Capital and Treasury strategies before recommending to Council for approval.
- 2.5. That Council receive the verbal feedback of the scrutiny undertaken on the Capital and Treasury strategies by the Governance & Audit Committee at its meeting on the 28th February 2022 and confirms that the Committee endorses the strategies.

3. KEY ISSUES

3.1. **2022/23 Capital Strategy**

3.2. The Capital Strategy sets out the longer-term context in which capital investment decisions are made and demonstrates how/that the Authority takes capital investment decisions that are in line with its Corporate priorities, give consideration to both risk/reward and impact; as well as properly taking account of stewardship, value for money, prudence, sustainability and affordability.

3.3. The capital plans of the Authority are inherently linked with the treasury management activities it undertakes, and therefore this report is brought alongside the Treasury management strategy report.

3.4. The main considerations arising from the Capital strategy shown in **Appendix 1** are summarised in this report below.

3.5. **Overview**

3.6. The Capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

3.7. It highlights that in the current climate of financial constraints and a continued Medium Term Financial Projection (MTFP) revenue budget gap, that expenditure on capital needs to remain within affordable limits. Demand for capital resources remains high and therefore inevitably, prioritisation of projects, leveraging in other sources of funding and working with partners remain key to meeting this demand.

3.8. Within the context of significant demands for capital resources and limited availability, there is the need to develop our use of the various strategic plans across the organisation which drive the need for capital investment and develop alternative strategies to meet demand so the Councils own capital programme is prioritised within an affordable framework. This will include clearer and corporate visibility and assessment of demand for schools, highways and other operational assets.

3.9. **Capital Financing**

3.10. All capital expenditure incurred has to be physically financed. Once the finite available sources of internal financing (capital receipts, reserves/revenue) and external grant financing are extinguished the Authorities only recourse is to borrowing.

Capital financing in £m

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget
External sources	14.1	3.6	2.4	2.4	2.4
Internal resources	6.0	3.6	1.9	1.8	1.7
Borrowing	9.9	22.4	8.0	5.5	5.5

Total	30.0	29.6	12.3	9.8	9.7
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- 3.11. Approval of capital expenditure funded through borrowing locks the Council into committing revenue funding over a very long period (as long as 60 years). Minimum Revenue Provision (MRP) is required to be funded from revenue budgets to cover expected borrowing repayments and the level of MRP is increasing over the medium-term so the Authority needs to ensure its capital plans remain affordable and sustainable.

Proportion of financing costs to net revenue stream

Proportion of Financing Costs to net revenue stream	2021/22 Budget	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Net Interest payable £m	3.6	3.9	4.1	4.1	4.5
MRP £m	6.4	6.7	7.3	7.6	7.7
Total Financing costs £m	10.0	10.6	11.4	11.7	12.2
Net Revenue Stream (£m)	155.1	168.9	179.3	187.6	196.3
Proportion of net revenue stream %	6.45%	6.29%	6.38%	6.24%	6.21%

- 3.12. The table above compares financing costs to the net revenue stream i.e. the amount of income from Council Tax, business rates and general government grants. The overall proportion of financing costs remains fairly static over the MTFP window which is reflective of the total revenue stream increasing in line with expected inflationary impacts whilst the financing costs increase moderately in line further capital investment made.

- 3.13. Total financing costs remain sustainable within the context of the Authorities overall revenue budget in so much that they are fully provided for within the medium term financial plan.

3.14. Capital Receipts

- 3.15. Any assets which are deemed to be surplus to service requirements will be identified for possible sale/income generation in consultation with the Estates department. The procedures governing disposals are captured in the Council's Surplus asset disposal policy.

Forecast Capital receipts

	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Balance as at 1st April	9,581	13,503	11,108	10,311	8,714
Less: capital receipts used for financing	(3,582)	(2,311)	(1,294)	(1,194)	(1,094)
Less: capital receipts used to support capitalisation directive	(2,208)	(2,650)	(508)	(508)	(508)
	3,791	8,542	9,306	8,609	7,112
Capital receipts Received	2,596	0	0	0	0
Capital receipts Forecast	7,115	2,565	1,004	104	104
Forecast Balance as at 31st March	13,503	11,108	10,311	8,714	7,217

- 3.16. The value of Capital receipts forecast after 2022/23 drops off quite considerably which is reflective of the replacement local development plan (RDLP) not proceeding as quickly as envisaged in the original delivery agreement. This will have a substantial impact on the balance of receipts available to fund future capital investment demands. It is therefore important that reliance on capital receipts used to support capitalisation direction (to fund one-off revenue costs eligible to be met from capital resources) is seen as a short term measure only.
- 3.17. Traditionally receipts have been earmarked to finance the Authorities future schools investment. In a change from previous practice, whilst the Council has further future schools aspirations, it is not proposed to advocate a similar approach to members in respect of tranche B. Schools based assets commonly have a useful life of 50 years +, and as such traditional long term loan funding can be sourced at competitive rates with limited annual revenue volatility. The Council derives greater revenue benefit by using capital receipts in affording replacement of short life assets, given the avoidance of proportionately more significant minimum revenue provision.
- 3.18. **Setting Capital Budgets**

Capital Medium Term Financial Plan

	Indicative Budget 2022/23	Indicative Budget 2023/24	Indicative Budget 2024/25	Indicative Budget 2025/26
Asset Management Schemes	1,929,276	1,929,276	1,929,276	1,929,276
School Development Schemes	13,681,287	50,000	50,000	50,000
Infrastructure & Transport Schemes	5,792,740	6,272,740	3,627,740	3,527,740
Regeneration Schemes	330,400	602,900	730,200	730,200
County Farms Schemes	300,773	300,773	300,773	300,773
Inclusion Schemes	1,150,000	1,150,000	1,150,000	1,150,000
ICT Schemes	682,000	413,000	413,000	413,000
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Capitalisation Directive	2,649,500	507,500	507,500	507,500
Other Schemes	3,070,000	1,070,000	1,070,000	1,070,000
Total Expenditure	31,085,977	13,796,190	11,278,490	11,178,490

- 3.19. The capital MTFP and capital strategy seek to work towards a financially sustainable core capital programme, whilst balancing the need to deliver capital investment plans in line with policy commitment and need. When considering the relative merits of further capital investment, the Capital and Asset Management Working Group (CAMWG) will apply the priority matrix in the capital strategy, either endorsing or amending the proposal for onward consideration by SLT and Members through the agreed mechanisms in place.
- 3.20. The identified backlog capital budget pressures that currently sit outside of the above capital MTFP total £125m and indicates that there is a higher call for capital expenditure than the Authority considers it can affordably finance. This means that capital schemes will have to be prioritised or the capital available has to be spread more thinly than is ideal. All stakeholders must recognise that funding capital expenditure by borrowing only defers the

charge to revenue budgets to future years, but at the same time if capital maintenance works are deferred then the total life costs of supporting an asset are likely to increase. This effect is often veiled in medium term financial planning as asset lives are much longer than four years.

- 3.21. Annual investment included in the capital programme for property maintenance, highways maintenance, relevant specific capital grants and the future schools programme will assist in addressing the highest priority backlog issues, focussing on worst condition first and risk. However, estate rationalisation programmes, closure/disposal of assets, asset transfers and other capital projects to refurbish or replace operational properties will also be utilised to offset the backlog funding required. This will not address the specific total backlog, but is a way of targeting the main issues in an affordable manner.

4. 2022/23 Treasury Management Strategy

- 4.1. The treasury management strategy sets out the Council's longer term borrowing requirement and plans, which is driven mainly by the capital programme requirements and the resulting impact on the revenue budget.
- 4.2. It includes how it will manage and invest its surplus cash which also have various targets/limits set as part of prudential indicators and also includes additional guidance of the Welsh Government Investment Guidance and the Minimum Revenue Provision Policy.
- 4.3. The strategy is a requirement of CIPFA's Prudential Code which sets out the requirement to ensure, within the frameworks set, that capital expenditure plans are:
- **Affordable:** Capital spend and programmes are within sustainable limits. Councils are required to take into account of current and forecast funding available to them and the totality of their capital plans and their costs in assessing affordability.
 - **Prudent:** Councils need to set borrowing limits (called 'operational' and 'authorised limits' – as part of the suite of prudential indicators) which reflect the Councils plan for affordable capital plans and their financing costs. On investing activities, Councils need to consider the balance between security, liquidity and yield which reflects their own risk appetite but which prioritises security and liquidity over yield.
 - **Sustainable:** Council's capital plans and the revenue cost of financing the current and future forecast borrowing/debt taken out for that needs to be sustainable in terms of the Councils overall finances and its impact on that.
- 4.4. The Governance & Audit Committee in its role as the Council's delegated body must receive as a minimum a semi-annual report and an annual report after its close on treasury management activities.
- 4.5. Overall responsibility for treasury management remains with the full Council. In effect, that body delegates the execution and administration of treasury management decisions to the Section 151 officer or deputy who will act in accordance with the Treasury management strategy, treasury management practices and CIPFA's Standard of Professional Practice on treasury management.

- 4.6. The detailed Treasury strategy for 2022/23 is included at **Appendix 1**. Key points of interest are summarised below.

Annual Minimum Revenue Provision (MRP) Policy Statement

- 4.7. The annual Minimum Revenue Provision is the mechanism used for spreading the capital expenditure financed by borrowing over the years to which benefit is provided. Regulations state that the authority must calculate for the current financial year an amount of minimum revenue provision which it considers to be prudent. In addition, there is the requirement for an Annual Minimum Revenue Provision Policy Statement to be drafted and submitted to full Council. This is attached in **Appendix 1**.
- 4.8. The Welsh Government issued revised MRP guidance in 2018. This is taken into account within the MRP Policy Statement.

Borrowing Strategy

- 4.9. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 4.10. The current economic environment is unprecedented and still very much represents the bottom of the treasury cost curve for an Authority like Monmouthshire who is a net borrower. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. A roughly equal balance of long and short term debt is, at the time of writing, taken as the right balance to maintain sufficient long term stability.
- 4.11. To that end, and at the start of December 2021, and with interest rate rises being implied in the market, the authority acted to lock in a further £20m of long term borrowing as outlined below:

Start Date	Duration (Years)	Amount	Rate	Weighted Rate
07/12/2021	45	5,000,000.00	1.43%	0.36%
07/12/2021	50	5,000,000.00	1.37%	0.34%
15/12/2021	46	2,500,000.00	1.31%	0.16%
15/12/2021	47	2,500,000.00	1.30%	0.16%
15/12/2021	48	2,500,000.00	1.29%	0.16%
15/12/2021	49	2,500,000.00	1.27%	0.16%
Total		20,000,000.00		1.35%

- 4.12. By doing so, the Authority was able to give some longer term certainty over borrowing costs and reduce overall treasury risk, despite some shorter term increases in overall interest cost. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly.

Investment Strategy

- 4.13. Both the CIPFA Code and the WG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 4.14. Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority will look to increase its diversification into higher yielding asset classes, such as pooled funds, during 2022/23. The Authority continues to hold £10m of investments to meet the requirements of a professional client under the Mifid II regulations (Markets in financial instruments directive) and therefore consideration will be given to investing this balance with a more medium to long term outlook. At the time of writing £4m is held in Pooled Fund investments, with applications in process to invest a further £2m by the end of the 31st March 2022.
- 4.15. The approved counterparty list and limits are shown in table 3 of the Treasury strategy. The investment limits proposed complement the Authorities objective of striking an appropriate balance between risk and return, whilst minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 4.16. It is important to note that the counterparty rating limits and investment maturities act as limits and not targets and are further informed by market information alongside bespoke periodic advice from our treasury advisers as to sustainability and financial robustness of specific counterparties.

Other Considerations influencing the strategy

- 4.17. The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.
- 4.18. Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.
- 4.19. The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.
- 4.20. Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

Prudential Indicators

- 4.21. The prudential indicators as required under the Prudential Code are shown in sections 3 and 4 of the Treasury strategy at **Appendix 1** and set out the limits and indicators that the treasury function will operate under for 2022/23.

5. REASONS

- 5.1. The Authority is required to produce a Capital Strategy to satisfy the requirements of the Prudential Code of Capital Finance 2017. Many elements of the strategy are already in place and it is expected that in following an overall strategy that it will improve the process of managing the Authorities assets with the ultimate aim to ensure sustainability, and maximise the financial and social value of our assets for our communities. The ongoing challenging financial conditions mean we must have robust policies and programmes in place to ensure our estate is lean, efficient, meets the needs of service users and is fit for purpose.
- 5.2. The Authority is required to produce a Treasury Management Strategy including annual investment and borrowing strategies in order to comply with the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code").
- 5.3. The Authority is required to produce an MRP policy statement in order to comply with the Local Authorities (Capital Finance and Accounting) (Wales) Regulations, last amended in 2018.

6. OPTIONS APPRAISAL

- 6.1. As contained within the strategies shown at **Appendix 1**.

7. EVALUATION CRITERIA

- 7.1. Not applicable.

8. RESOURCE IMPLICATIONS

- 8.1. In summary, the Treasury strategy remains very similar to previous years, such that the Council remains a net borrower, and utilises internal resources to reduce net borrowing costs, known as internal borrowing.
- 8.2. In order to keep the Authority's borrowing costs lower, the external borrowing total is split fairly equally between long and short term recurrent borrowing. The short term borrowing achieves a reduction in cost but causes an increase in interest rate risk. Although interest rates could rise, it is not expected that short term rates over the MTFP window will exceed current long term rates. The Treasury team continues to optimise its loans and investments to reduce the net cost of borrowing while ensuring that security and liquidity levels are maintained at a suitable level and the various risks are properly managed.

- 8.3. The levels of Treasury debt and investments at the 31st December 2021 are provided in section 2 of the Treasury strategy.
- 8.4. The medium-term treasury budgets, contained within the 2022/23 revenue budget proposals were constructed in accordance with the strategy documents appended to this report. Consequently, there are no additional resource implications directly arising from this report.
- 8.5. The Council's indicative treasury budgets for the next 4 years are:

	Indicative Base Budget 2022/23	Indicative Base Budget 2023/24	Indicative Base Budget 2024/25	Indicative Base Budget 2025/26
Interest and Investment Income	(100,000)	(100,000)	(100,000)	(100,000)
Interest Payable on external debt	3,955,189	4,205,189	4,205,189	4,594,227
Charges required under Regulation	6,715,463	7,347,290	7,602,831	7,693,289
Total Treasury Budgets	10,570,652	11,452,479	11,708,020	12,187,516

- 8.6. However, there are some key future financial risks on medium-term treasury budgets concerning:
- The capital medium term financial plan for 2022/26 has been shared with members as part of the capital budget setting process. Should future additions to the programme be required that are funded from borrowing, then Treasury figures and consequences on the capital financing requirement and external borrowing requirement would need to be updated.
 - The risks associated with rising interest rates as indicated in the Treasury Strategy by the Interest rate risk indicator & limit. Base and short-term interest rates are expected to remain at lower levels in the medium term and the Treasury strategy allows for the use of short term borrowing once investment funds are exhausted to take advantage of these low rates. However, the current and future economic environment is extremely uncertain in light of the UK Government response to the pandemic and the ongoing complexities around Brexit agreements and therefore the ongoing position will need to continue to be closely monitored.
 - The Authority continues to make plans to assess the capital receipts which can be obtained from selling property assets. Without these receipts being available to fund capital expenditure, new capital programmes will need to be funded by additional borrowing.

9. WELLBEING OF FUTURE GENERATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

- 9.1. There are no implications directly arising from the recommendations and decisions highlighted in this report.

10. CONSULTEES:

Chief Officer, Resources (Section 151 officer)
Arlingclose – Treasury Management Advisors to Monmouthshire CC
Cabinet
SLT
Governance & Audit Committee

11. BACKGROUND PAPERS:

Appendix 1 – 2022/23 Capital strategy and 2022/23 Treasury Management Strategy including the Minimum Revenue Provision policy statement and Investment & Borrowing Strategies

12. AUTHORS:

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Capital Strategy & Treasury Management Strategy 2022/23

Contents

1. [Introduction](#)

[2022/23 Capital Strategy](#)

1. [Introduction](#)
2. [The Prudential Code](#)
3. [Property asset management](#)
4. [Infrastructure asset management](#)
5. [Investments for Service purposes](#)
6. [Commercial activities](#)
7. [Other assets](#)
8. [Capital financing & the Capital financing requirement](#)
9. [Capital disposals & receipts](#)
10. [Setting capital budgets](#)
11. [Revenue budget implications](#)
12. [Treasury management](#)
13. [Borrowing strategy](#)
14. [Investment strategy](#)
15. [Risk](#)
16. [Knowledge & skills](#)

[2022/23 Treasury Management Strategy](#)

1. [Economic background and forecasts for interest rates](#)
2. [Existing treasury position](#)
3. [Borrowing](#)
4. [Treasury investments](#)
5. [Related matters](#)
6. [Additional requirements of Welsh Government Investment Guidance](#)
7. [Advisors Economic & Interest Rate Forecast](#)
8. [Glossary of treasury terms](#)

Treasury & Capital Strategy

- 1.1. Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risks are therefore central to the Authority's prudent financial management.
- 1.2. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. In addition, the Welsh Government (WG) issued revised Guidance on Local Authority Investments in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.
- 1.3. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 1.4. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.
- 1.5. This Capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.6. Decisions made now on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.
- 1.7. The Council's borrowing driven by investment decisions based on its Capital strategy will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk, refinancing risk and budgetary risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

1.8. The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

2. **Governance & reporting**

2.1. Council delegates responsibility for the monitoring and scrutiny of its treasury management policy, strategy and practices to the Governance & Audit Committee and for the execution and administration of treasury management decisions to the Section 151 officer or deputy, who will act in accordance with the policy and strategy and follow CIPFA's Standard of Professional Practice on Treasury Management.

2.2. The responsibility to approve the Capital strategy and the annual Treasury management strategy (including the investment strategy and MRP policy statement) remains with full Council.

2.3. Responsibility for treasury decisions ultimately remains with the Council, however the Council recognises the value in the use of treasury advisors to support the management of risk and to access specialist skills and resources. Support provided by its current advisors Arlingclose Limited includes advice on timing of decision making, training, credit updates, economic forecasts, research, articles and advice on capital finance.

2.4. Revised strategy: In accordance with the WG Guidance, full Council would be asked to approve a revised Treasury Management Strategy should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Authority's capital programme or in the level of its investment balance, or a material loss in the fair value of a non-financial investment identified as part of the year end accounts preparation and audit process.

1. Introduction

- 1.1. This Capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.2. Decisions made now on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.
- 1.3. It highlights that in the current climate of financial constraints and a continued Medium Term Financial Projection (MTFP) revenue budget gap, that expenditure on capital needs to remain within affordable limits. Demand for capital resources remains high and therefore inevitably, prioritisation of projects, leveraging in other sources of funding and working with partners remain key to meeting this demand.
- 1.4. The strategy highlights the key risks and considerations:
 - Capital expenditure plans for the Council need to be affordable, prudent and sustainable.
 - The Council's Medium Term Financial Plan includes the revenue costs for the financing of the current capital programme to 2025/26. This will exclude any borrowing for schemes which are self-financing over the life of the project.
 - If the level of capital expenditure funded by borrowing is required to be increased from that approved in the current programme it would need to be sanctioned by full Council.
 - Useable capital receipts provide a limited one-off resource to support financing of the capital programme. In recent years the Council has also made use of Welsh Government's guidance allowing flexible use of capital receipts to meet one-off costs associated with service reform. The Council has needed to make use of this flexibility in 2019/20, 2020/21 & 2021/22 and plans to do similarly in 2022/23 and over the remaining three years of the MTFP. Useable capital receipts are forecast to reduce to £7.2m by the end of 2025/26 based on the capital MTFP. The continued use of capital receipts for this purpose is recognized as a necessary but unsustainable approach and has the added consequence of requiring the Council to fund any further and future capital investment through prudential borrowing where it cannot be met from other sources.
 - As per the agreed framework (detailed in the report) the current programme needs to be maintained within the agreed limits, therefore not putting additional pressure on the capital financing budgets that have been included in the 2022/23 revenue budget.

- Within the context of significant demands for capital resources and limited availability, there is the need to develop our use of the various strategic plans across the organisation which drive the need for capital investment and develop alternative strategies to meet demand so the Councils own capital programme is prioritised within an affordable framework. This will include clearer and corporate visibility and assessment of demand for schools, highways and other operational assets.
- Approval of capital expenditure funded through borrowing locks the Council into committing revenue funding over a very long period (as long as 60 years). With Minimum Revenue Provision (MRP) budgets increasing over the medium-term, the Authority needs to ensure its capital plans remain affordable and sustainable.
- The prudential indicators, including borrowing limits, are in line with the final budget proposals presented to Cabinet and Council in March 2022.

1.5. The strategy will be reviewed and updated on an annual basis alongside the Treasury Management Strategy given both strategies are intrinsically linked.

2. The Prudential Code

2.1. The objective of the Prudential Code is to ensure, within a clear framework, that the capital expenditure plans of local authorities are:

- **AFFORDABLE** - Total capital investment of the authority remains within sustainable limits. A local authority is required to consider the resources currently available to it and those estimated to be available in the future, together with the totality of its capital plans and income and expenditure forecasts in assessing affordability.
- **PRUDENT** – The full Council set an authorised limit and operational boundary for external debt, these need to be consistent with the authority’s plans for affordable capital expenditure and financing, and with its treasury management policy statement and practices. Authorities should consider a balance between **security, liquidity and yield** which reflects their own risk appetite but which prioritises security and liquidity over yield.
- **SUSTAINABLE** – taking into account the arrangements for repayment of debt (including through MRP) and consideration of risk and the potential impact on the authority’s overall financial sustainability in the medium to longer term.

And that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.

2.2. The Code requires the Capital strategy to set out the long term context for capital expenditure investment decisions.

3. Property asset management

3.1. The Corporate Landlord Division of the Resources Directorate is the custodian of the Council's Asset management strategy in place, to ensure that the assets forming the Council's Property Estate continue to meet the needs of the Authority in the long term. As asset lives could be 60 years or more, for practical purposes, expenditure requirements for a minimum of 10 years should be assessed to prevent any deferred repair work increasing the total life costs of the assets. The main elements of the Asset Management strategy which are key to the Capital strategy are:

- A complete and accurate asset register is held & will be maintained. This will include Land & Buildings, Community assets, Heritage assets, Investment Properties and operational structures such as Sewerage pumping works.
- The required functionality & operational life of assets will be identified as a benchmark for condition assessments (e.g. from Corporate Plan)
- An increasing use of Condition surveys information (5 year rolling programme on key assets) to improve liability and responsibility data and facilitate improved decision making
- Maintenance and major works are identified from the surveys with timings optimised in order to minimise total asset life costs including maintenance and running costs
- Health and Safety works are flagged as a priority
- The Capital and Revenue spend levels per year will be identified and fed into the budget setting processes with the aim of not deferring spend which would increase extent of emergency works and total life costs
- Where costs and/or timing cannot be predicted with a reasonably high level of certainty an average forecast cost / timing should be used for planning purposes. Where the likelihood of occurrence as well as cost is highly uncertain, accounting good practice advocates a contingency plan should be put in place e.g. a preliminary design & program of works prepared, the required budget spread over several years and an earmarked reserve built up from annual repair budget
- Where an asset is held to generate income in line with meeting core strategic policy aims and objectives, as part of the business case, the recurrent expenditure required on those assets to maximise net income, will be identified and proposed for addition to budgets.
- The cost profile generated from the above process will be fed into the 4 year Capital Budget decision making process.
- Surplus assets and part assets have & will continue to be identified and an option appraisal carried out to determine if the asset should be sold to generate a capital receipt, developed and sold for a higher receipt, used to generate revenue income or transferred to a 3rd party for the benefit of the community. Under any of these scenarios, end of life costs will need to be more transparently determined and budgeted.

4. Infrastructure asset management

4.1. Unlike property assets, Infrastructure assets are managed by the various divisions of Enterprise Directorate. They will still need to assess what expenditure is required over a minimum of 10 years to minimise the total life cost of their assets. To ensure that the Highways Network and other Infrastructure assets held by the Authority continue to meet the long term needs of the County and the Authority, the Authority will:

- Look to maintain a complete and accurate asset register for Highways Network Assets & any other assets maintained by the team including adjacent land, flood alleviation facilities and substations. The Council's infrastructure database hasn't historically had the same corporate importance as the property asset register, as it isn't used to substantiate data or support revaluations in the annual statement of accounts. An exercise will be necessary to confirm quality of data within the Highways system to support 10 year reporting of works.
- For the majority of these assets, the expectation is for necessary repairs and maintenance to keep the assets in working condition for the foreseeable future i.e. well beyond 10 years. If this is not the case, the required operational life should be recorded.
- The minimum acceptable level of condition must be defined for each asset or part asset. This is likely to be the level of condition below which lifecycle costs start to increase.
- Service officers have traditionally forecast a backlog of highways repair of circa £80m, but without explicit review. Condition surveys are carried out periodically, by a mixture of Scrim testing (skid resistance) or inspections at a predefined frequency dependent upon the type of road so deterioration of assets below the minimum standard is documented and can be forecast. This information will also be used to indicate if the number of assets falling below the minimum standard is increasing year on year indicating that budgets available need to be increased. The impact of varying budgets over the last 10 years should also be investigated to inform this process.
- Traffic & pedestrian surveys will be carried out at a periodically to better assess the future life of the assets. It is acknowledged that weather has a significant impact on the life of assets and that weather patterns are changing. This cannot be controlled but must be taken into account.
- Ensure that Health and Safety works are prioritised.
- One off major works expected to be required will also be identified with a latest completion date and estimated cost. This may include large one offs which are outside the normal workload of the Operations & Design teams.
- The maintenance and major works required on an annual basis to minimise total asset life costs are identified from the surveys and used to propose budgets required for budget setting for the next 10 years. The impact on total life costs, should sufficient budget not be allocated, should also be reported to members to inform decision making, as an improvement to simply identifying an unsubstantiated backlog of repairs.
- Where costs and/or timing cannot be predicted with a high level of certainty, (similar to property assets), an average forecast cost / frequency for groups of similar assets is advocated, and use of contributions to earmarked reserve encouraged to afford the volatility of as yet unquantified significant one off future works

5. Investments for Service purposes

- 5.1. The Council has historically incurred the majority of its capital expenditure on the assets required to provide its services such as schools, highways and corporate facilities.

- 5.2. However it may also invest in other entities for the wider economic and societal benefits of its communities or businesses. This may include making loans or (more recently) considering taking an equity interest in local bodies or the Council's subsidiaries & joint ventures which in turn contribute to services to Monmouthshire residents. It may also include providing guarantees to other bodies. In light of the public service objective, the Council traditionally is willing to take more risk on these investments than it would with more traditional treasury investments, which are more highly regulated, however any such arrangement should only be entered into if such investments are assessed to break even after all costs are taken into account or if the benefits of the scheme are considered to be worth the net cost.
- 5.3. Decisions on service related investments (e.g. vibrant homes loans afforded through WG repayable grant or economic development loans) can be made by the relevant service manager provided a 100% loss can be covered by the managers existing budgets. Should additional budget/funding be required in the event of a default, then before making the service expense/investment, the Section 151 officer is required to be consulted and where member approval is felt necessary that the details and risks involved presented to Cabinet for approval. The criteria and limits laid down in the strategy for treasury Investments can be used as a comparator to measure risks against. Most loans and shares are capital expenditure and unless undertaken through the Commercial Investment delegation to Investment Committee, such decision requires approval of full Council to be added to the capital programme.
- 5.4. A list of investments for service purposes including loans and guarantees will be maintained by the Treasury team and they will be assessed at least annually and reported as part of the annual accounts and include:
- £40,000 of seed share capital was provided to SRS Business Solutions Ltd in 2011/12 alongside an equal amount from Torfaen County Borough Council
 - Foster carer loans
 - Low cost home ownership equity interest.

6. Commercial Activities

- 6.1. Following a sustained period of financial austerity and with financial support for local public services declining, the Council has invested in commercial property and other commercial investments to support ongoing revenue budgets and promote wider economic regeneration and strategic policy aims within the County and its borders.
- 6.2. Early in 2017/18 the Authority completed the construction of a Solar Farm for £5m.
- 6.3. In 2018/19, as part of a wider approved commercial investment budget of £50m and following creation of an Investment Committee to oversee this, the Council purchased a large unit at Castlegate Business Park for £8m and completed the purchase of Newport Leisure Park for £21m.

- 6.4. In 2020/21 secured loan funding of £1.9 million for a 10-year term was made to a Special Purpose Vehicle (Monmouthshire Broadband Limited). The loan is secured against the network assets held and totals £1.15m to date which is to be used to build a mixed wireless and fibre-optic access network to improve broadband speeds across Monmouthshire.
- 6.5. Given the ongoing pressures, risks and challenges presenting as a result of the Covid-19 pandemic, further investment into new commercial investment opportunities has been paused for the short-term.
- 6.6. Under changes to the Public Works Loan Board (PWLB) lending arrangements in March 2020 the government ended access to the PWLB for Authorities that wished to buy commercial assets primarily for yield, as assessed by the statutory section 151 officer of the Authority. Authorities that wish to buy commercial assets primarily for yield would remain free to do so but would not be able to take out new loans from the PWLB in that financial year.
- 6.7. Following these changes the Council will look to maintain an investment strategy that continues to support the wider economic regeneration and strategic policy aims within the County of Monmouthshire and/or where market failure is evident, and will not look to make commercial investment primarily for yield.
- 6.8. Commercial investments will be revalued at least annually as part of the ongoing review of the Commercial investment portfolio, and the performance of these assets assessed regularly through the service budget monitoring of Corporate Landlord service, via reporting to the Investment Committee and annually to Governance & Audit Committee.
- 6.9. With the increased financial returns expected on investment available from commercial investment, the Council naturally accepts higher risk compared with traditional treasury investments. Risk exposures for property investments include a fall in capital value, vacancies, poor tenant performance, rent increases below inflation, lack of market appeal/obsolescence/cost to rectify and changes in legislation. For other non-treasury investments such as loans and equity, risks also include – fall in market value, poor repayment performance and insolvency/costs of debt recovery.
- 6.10. The Council has adopted a very prudent approach to the financial management of its commercial assets, in ensuring that business cases are predicated on affording the related borrowing before providing a net return to assist with revenue budget setting. It has also elected to treat such investments as capital expenditure and incur an explicit annual minimum revenue provision in affording the related borrowing, whereas draft Welsh Government guidance permits flexibility to defer financing considerations to when property is sold, providing that the selling price can reasonably be anticipated to be greater than purchase price.
- 6.11. To date, commercial investments have focused primarily on property acquisition so the risks are managed by corporate landlord service assisted by external professionals where

necessary. They will manage asset maintenance and the tenant/landlord interface including collecting income. They will review cashflows and assess/forecast the value, quality and diversity of the investments in order to propose any modifications required to the portfolio to increase return and/or reduce risk.

- 6.12. In order that commercial investments remain proportionate to the size of the authority and in keeping with principles of affordability, prudence and sustainability, the approved commercial investment budget was limited to £50m.
- 6.13. In the event that a property holding is deemed to be underperforming or fails to meet the related debt repayment costs, a regular review will be undertaken to see if it is possible to:
- Retain the asset and increase net returns
 - Dispose of the asset at a net profit compared to purchase price
 - Retain the asset for future capital gains
 - Maximise return on capital in another way
- 6.14. The Authority will continue to identify any of its historical investment properties which could provide a valuable capital receipt over and above the value to the Authority of holding the asset.
- 6.15. The responsibility and accountability to manage the risks associated with any non-property related commercial investments will rest with the service that has advocated the investment case, and they will retain the responsibility to update Investment Committee periodically with performance against the business case presented, and assist in the annual report preparation to Governance & Audit Committee.
- 6.16. Decisions on commercial investments are made by the Investment Committee in line with the criteria and limits within the Asset Management Strategy.
- 6.17. Further details of the selection process for commercial investments, the limits agreed with Council and details of the identification and management of the risks associated with commercial investments are in the Asset Management Strategy, Asset Investment Policy and other supporting documents.

7. Other Assets

- 7.1. In addition to the Council Property Estate and the Infrastructure Assets, the Authority also owns and rents Heritage Assets, Vehicles and Plant & Equipment
- 7.2. Currently no formal review is undertaken to confirm the benefit of retaining the Heritage assets portfolio. The introduction of the capital strategy applies a more regular assessment of need against liability. This is proposed to be an increasing element of the asset management plan, and as a minimum it is proposed to adopt a formal 5 year review period.

7.3. The Vehicles and Plant, both owned and leased, are reviewed regularly by the Head of Finance in conjunction with the Transport Manager to minimise total life costs.

8. Capital financing & the Capital financing requirement

8.1. All capital expenditure incurred has to be physically financed. The available sources of financing include:

- **Grants/External contributions** – these should be maximised but opportunities tend to be limited and specific to particular projects
- **Capital Support Grant** – this is fixed by the Welsh Government, is finite, but is un-hypothecated and therefore at the discretion of the Council how it is used.
- **Reserve/revenue funding** – the Authority currently forecasts Earmarked and total Council fund reserves to be £10.1m and £22.4m respectively at 31st March 2021. Of the Earmarked reserves, only £625k is currently held for capital investment and therefore represents a limited source of capital financing
- **Capital receipts** - £3.8m of receipts are forecast to be generated over the MTFP window on top of the £13.5m forecast to be held at 31st March 2022. Of these, £10.1m has been allocated to finance capital expenditure over the MTFP window leaving only £7.2m forecast to be available to fund new schemes over the same period.

8.2. The planned financing of the capital expenditure is indicated in the table below:

Table 1: Capital financing in £m

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget	2025/26 budget
External sources	14.1	3.6	2.4	2.4	2.4
Internal resources	6.0	3.6	1.9	1.8	1.7
Borrowing	9.9	22.4	8.0	5.5	5.5
TOTAL	30.0	29.6	12.3	9.8	9.7

8.3. Borrowing is often the only source of funding available once the limited external and internal resources have been exhausted. All borrowing has to be repaid and this includes both the actual debt principal plus interest costs on the debt.

8.4. In the current economic environment, with interest rates remaining low, borrowing is a cheaper source of financing than 10 years ago, but it only delays the need to finance capital expenditure which is ultimately met from the revenue budget in the form of interest and Minimum Revenue Provision.

- 8.5. The Council's cumulative outstanding amount of borrowing finance is measured by the Capital Financing Requirement (CFR). This increases with new borrowing-financed capital expenditure and reduces with MRP and capital receipts used to replace the borrowing.
- 8.6. Based on current revenue and capital budgets noted above, the Authorities CFR is expected increase in 2022/23 reflecting the increased amount of capital expenditure financed from borrowing. The Council's estimated CFR and related MRP charges over the medium term are as follows:

Table 2: CFR and related MRP charges

	2021/22 Forecast	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital Financing Requirement (Total in £m)	192.7	232.1	232.7	230.7	228.6
Minimum Revenue Provision (£m)	6.4	6.7	7.3	7.6	7.7

- 8.7. With the pending introduction of IFRS 16 Leases, the CFR and borrowing identified as relating to leases is likely to increase, due to the change in the way that finance leases for lessees are treated. However CIPFA LASAAC is currently consulting on further deferral of the implementation of IFRS 16 Leases until 2023/24 in response to the pressures on council finance teams as a result of the COVID-19 pandemic.
- 8.8. The Council's minimum revenue provision policy should remain prudent and not subject to annual change. This policy has been reviewed within last 5 years by Members, and is a feature of the annual Treasury management strategy report received at this same meeting.

9. Capital disposals & receipts

- 9.1. The Council's Asset Management plan sets out the Council's vision, priorities and key actions associated with managing our assets. The aim is to ensure sustainability, and maximise the financial and social value of our assets for our communities. The ongoing challenging financial conditions mean we must have robust policies and programmes in place to ensure our estate is lean, efficient, meets the needs of service users and is fit for purpose. The strategy also recognises the importance of maximising the income we can generate from our property assets and we have started to actively seek opportunities to increase revenue generation.
- 9.2. Any assets which are deemed to be surplus to service requirements will be identified for possible sale/income generation in consultation with the Estates department. The procedures governing disposals are captured in the Council's Surplus asset disposal policy.
- 9.3. The Council anticipates the following capital receipts in the forthcoming financial years is as follows:

Table 3: Forecast Capital receipts

	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Balance as at 1st April	9,581	13,503	11,108	10,311	8,714
Less: capital receipts used for financing	(3,582)	(2,311)	(1,294)	(1,194)	(1,094)
Less: capital receipts used to support capitalisation directive	(2,208)	(2,650)	(508)	(508)	(508)
	3,791	8,542	9,306	8,609	7,112
Capital receipts Received	2,596	0	0	0	0
Capital receipts Forecast	7,115	2,565	1,004	104	104
Forecast Balance as at 31st March	13,503	11,108	10,311	8,714	7,217

- 9.4. Further specific details of planned asset disposals are included in the annual Capital MTFP deliberated by Members, with specific sales proposals being an exempt appendix from public reporting requirements due to potential to compromise of receipt maximisation.
- 9.5. The value of Capital receipts forecast after 2022/23 drops off quite considerably which is reflective of the replacement local development plan (RDLP) not proceeding as quickly as envisaged in the original delivery agreement. This will have a substantial impact on the balance of receipts available to fund future capital investment demands. It is therefore important that reliance on capital receipts used to support capitalisation direction (to fund one-off revenue costs eligible to be met from capital resources) is seen as a short term measure only.
- 9.6. Traditionally receipts have been earmarked to finance the Authorities future schools investment. In a change from previous practice, whilst the Council has further future schools aspirations, it is not proposed to advocate a similar approach to members in respect of tranche B. Schools based assets commonly have a useful life of 50 years +, and as such traditional long term loan funding can be sourced at competitive rates with limited annual revenue volatility. The Council derives greater revenue benefit by using capital receipts in affording replacement of short life assets, given the avoidance of proportionately more significant minimum revenue provision.

10. Setting capital budgets

Table 4: Capital Medium Term Financial Plan

	Indicative Budget 2022/23	Indicative Budget 2023/24	Indicative Budget 2024/25	Indicative Budget 2025/26
Asset Management Schemes	1,929,276	1,929,276	1,929,276	1,929,276
School Development Schemes	13,681,287	50,000	50,000	50,000

Infrastructure & Transport Schemes	5,792,740	6,272,740	3,627,740	3,527,740
Regeneration Schemes	330,400	602,900	730,200	730,200
County Farms Schemes	300,773	300,773	300,773	300,773
Inclusion Schemes	1,150,000	1,150,000	1,150,000	1,150,000
ICT Schemes	682,000	413,000	413,000	413,000
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Capitalisation Directive	2,649,500	507,500	507,500	507,500
Other Schemes	3,070,000	1,070,000	1,070,000	1,070,000
TOTAL EXPENDITURE	31,085,977	13,796,190	11,278,490	11,178,490

10.1. Member responsibility for assets rests with the Cabinet member for Whole Authority Resources. The main governance and approval process for capital investment is summarised as follows:

- Council approve the overall revenue and capital budgets following recommendations from Cabinet. They also approve the borrowing limits of which the capital programme will need to remain within (the Authorised limit). These limits are a key performance indicator for treasury management and ensure that capital expenditure is limited and borrowing remains within an affordable limit.
- Any variation of the Authorised borrowing limit can only be approved by Council.
- Council approve the Treasury Management, Investment & Borrowing strategies, which are intrinsically linked to capital expenditure and the capital strategy. Further details of these are provided in section 8.
- Items of capital investment are discussed and scrutinised at the Capital and Asset Management Working Group (CAMWG), which is made up of senior officers from all service areas. Discussion also includes asset disposals, where capital investment is required, prioritisation of that investment in line with the priority matrix and the overall asset management agenda.
- Recommendations on capital investment will be made by CAMWG to the Senior Leadership Team (SLT) following review of the project appraisal for onward inclusion in the capital budget and to be considered by Cabinet and Council.
- Monitoring of capital expenditure is reported to Cabinet, and includes update on capital receipts and impact on the revenue budget of the decisions made.
- The 2022/23 and forward capital budgets include investment in schemes which attract significant match funding from external bodies which services will be responsible for bidding for. The CAMWG will play a pivotal role in ensuring that this investment is properly aligned with the overall corporate plan priorities and is robustly assessed against the agreed priority matrix included below.

10.2. The identified backlog capital budget pressures that currently sit outside of the above capital MTFP total £125m and indicates that there is a higher call for capital expenditure than the Authority considers it can affordably finance. This means that capital schemes will have to be prioritised or the capital available has to be spread more thinly than is ideal. All

stakeholders must recognise that funding capital expenditure by borrowing only defers the charge to revenue budgets to future years, but at the same time if capital maintenance works are deferred then the total life costs of supporting an asset are likely to increase. This effect is often veiled in medium term financial planning as asset lives are much longer than four years.

- 10.3. Annual investment included in the capital programme for property maintenance, highways maintenance, relevant specific capital grants and the future schools programme will assist in addressing the highest priority backlog issues, focussing on worst condition first and risk. However, estate rationalisation programmes, closure/disposal of assets, asset transfers and other capital projects to refurbish or replace operational properties will also be utilised to offset the backlog funding required. This will not address the specific total backlog, but is a way of targeting the main issues in an affordable manner.
- 10.4. The below priority ranking matrix approved as part of the inaugural capital strategy assists the CAMWG and SLT with their considerations of future capital investment.

Ref	Aspect	Indicative Rank
H&S	Health & safety works (life & limb works)	1
Legal	Legal & regulatory obligations	1
Rev	Allow a balanced revenue budget to be set, or a net deficit in revenue spending to be positively addressed	2
Corp	Deliver corporate plan priorities	2
Third	Attract significant 3 rd party or private match funding to the County	3
S2S	Spend to save transformational works (including flexible use of capital receipts)	3
INC	Spend to earn net income – rents, interest and dividends	3
Sust	Create sustainable income streams – business rates and council tax	3
AMP	Asset management plan outcomes	4
INF	Addresses major infrastructure investment	4

11. Revenue budget implications

- 11.1. 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. These net annual charges are known as financing costs. The table below compares these financing costs to the net revenue stream i.e. the amount of income from Council Tax, business rates and general government grants. The overall proportion of financing costs remains fairly static over the MTFP window which is reflective of the total revenue stream increasing in line with expected inflationary impacts whilst the financing costs increase moderately in line further capital investment made.

Table 5: Proportion of financing costs to net revenue stream

Proportion of Financing Costs to net revenue stream	2021/22 Budget	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Net Interest payable £m	3.6	3.9	4.1	4.1	4.5
MRP £m	6.4	6.7	7.3	7.6	7.7
Total Financing costs £m	10.0	10.6	11.4	11.7	12.2
Net Revenue Stream (£m)	155.1	168.9	179.3	187.6	196.3
Proportion of net revenue stream %	6.45%	6.29%	6.38%	6.24%	6.21%

- 11.2. **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years afterwards. The Section 151 officer is satisfied that the proposed capital programme is prudent, affordable and sustainable because the financing costs have been spread over no more than, the lower of 50 years and the expected life of the resultant asset, so the assets will be paid for by the Council tax payers benefitting from them over the life of the assets. The financing costs for assets funded by borrowing are included in each annual revenue budget which is balanced before approval by Council.

12. Treasury management

- 12.1. The Treasury management strategy (TMS) is considered alongside the Capital strategy at Council and the figures within it the link directly to the impact of the borrowing resulting from the Capital strategy and the subsequent capital investment.
- 12.2. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council limits the need to take out actual borrowing by using positive cash flows, largely from reserves, to fund capital expenditure funded by borrowing, known as internal borrowing.
- 12.3. Based on historic capital expenditure and due to decisions taken in the past, as at 31st December 2021, the Council has £169.7m borrowing at a weighted average interest rate of 2.3% and £40.0m treasury investments at a weighted average rate of 0.38%.

13. Borrowing strategy

- 13.1. Whilst the Council has significant long term borrowing requirements, the Council's current strategy of funding capital expenditure is through utilising internal resources such as reserves (called 'internal borrowing') rather than undertaking new borrowing i.e. we defer taking out new long term borrowing and fund capital expenditure from day to day positive cash-flows for as long as we can.
- 13.2. By using this strategy, the Council can also minimise cash holding at a time when counterparty risk remains high. The interest rates achievable on the Council's investments are also significantly lower than the current rates payable on long term borrowing and this remains a primary driver for our current 'internally borrowed' strategy.
- 13.3. Whilst this strategy minimises investment counterparty risk, the risk of interest rate exposure is increased as the current low longer term borrowing rates may rise in the future. The market position is being constantly monitored in order to minimise this risk.
- 13.4. The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.3%) and long-term fixed rate loans where the future cost is known but higher (currently 2.13% to 2.64%).
- 13.5. Projected levels of the Council's total debt (which comprises borrowing, PFI liabilities & finance leases) are shown below, compared with the capital financing requirement.

Table 6: Gross Debt and the Capital Financing Requirement in £m

Gross Debt Forecast compared to CFR £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt (Inc. PFI, leases, right of use assets)	165.5	182.5	183.3	185.8	189.1
Capital Financing Requirement (Total)	192.7	232.1	232.7	230.7	228.6

- 13.6. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen in the table above, the Council expects to comply with this in the medium term.
- 13.7. **Affordable borrowing limit:** The Council is legally obliged to approve an affordable borrowing limit (also termed the 'authorised limit' for external debt) each year.
- 13.8. The 'Operational borrowing limits' over the medium term, have been set in line with the expected borrowing required to finance the current capital programme to 2025/26 and these

act as a key management tool. If any increase to the authorised limit is required, including to borrow for investment/income generation schemes or regeneration investment (loans) this will need to be brought to Council for approval. The 'Authorised borrowing limits', provide a buffer for (i) the ability to manage day to day cash requirements and (ii) to undertake a level of borrowing early where appropriate / affordable.

Table 7: Authorised limit and operational boundary for external debt in £m

Authorised & Operational Borrowing Limits	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Authorised limit - borrowing	246.5	268.2	269.1	268.1	267.1
Operational boundary - PFI, leases & right of use assets	4.4	4.4	4.4	4.4	4.4
Authorised Limit - total external debt	250.9	272.6	273.5	272.5	271.5
Operational Boundary - borrowing	216.3	238.0	238.9	237.9	236.9
Operational Boundary - PFI, leases & right of use assets	2.9	2.9	2.9	2.9	2.9
Operational Boundary - total external debt	219.2	240.9	241.8	240.8	239.8

14. Investment strategy

- 14.1. Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 14.2. The Councils strategy is to follow the priorities of security, liquidity and yield, in that order. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice. This reduces the risk of default by diversification and the use of dedicated and experienced fund managers and also can increase return.
- 14.3. The Council's strategy seeks to keep invested cash balances low and in doing so reducing external borrowing, which is more cost effective than chasing investment returns. The main exception to this approach is that the Council is required to demonstrate a commitment to keeping a £10m minimum investment balance to meet the requirements of a professional client under the Mifid II regulations (Markets in financial instruments directive).

Table 8: Treasury management investments in £m

	31.3.2022 forecast	31.3.2023 forecast	31.3.2024 forecast	31.3.2025 forecast	31.3.2026 forecast
	£m	£m	£m	£m	£m
Near-term	8.6	4.0	4.0	4.0	4.0
Longer-term	6.0	6.0	6.0	6.0	6.0
TOTAL	14.6	10.0	10.0	10.0	10.0

14.4. **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the S151 Officer or Deputy and their staff, who must act in line with the treasury management strategy currently approved by Members. The 2022/23 Strategy will be considered by Governance & Audit Committee in February 2022 and is presented alongside this report for approval by full Council. In addition mid-year and treasury outturn reports on treasury management activity are presented to Audit Committee which is responsible for scrutinising treasury management decisions.

15. Risk

15.1. A significant aspect of the Capital strategy is involved with controlling & balancing various risks i.e.

- The credit risk of treasury investments – this is controlled using credit worthy institutions, diversification, limiting maturity, maximising the use of internal borrowing.
- The refinancing risk of treasury investments – controlling the profile of debt maturities.
- The interest rate risk of treasury activities. The Authority has opted to abide by an upper limit for the amount of net variable rate borrowing, but intends to adopt a simpler, more transparent indicator of variable rate borrowing as a proportion of total.
- The risks of providing loans and guarantees for service purposes need to be acknowledged and managed from the outset.
- The risks to the total net return on assets acquired for commercial income are expected to be higher than for assets acquired for service purposes and need to be fully assessed and managed from the outset.

15.2. In undertaking business loans to 3rd parties, commercial investment acquisition and proposing alternate business models there is an inherent risk that members and officers not having sufficient knowledge and skills of the sector concerned such that the risks and benefits may not be properly understood and managed. This is addressed by appropriate assessment, training and external advice.

16. Knowledge & skills

- 16.1. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, both the Section 151 officer and Head of Commercial and Integrated Landlord Services are professionally qualified with longstanding senior practical experience. For both accountants and valuers, the Council offers particular training roles and also from a staff development perspective encourages and support wider staff to undertake study towards relevant professional qualifications and continuing professional development.
- 16.2. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisors, and Alder King as property investment advisors. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite. Arlingclose's assistance has been sourced through competitive tendering, and their fees paid independent of their advice.

1. Economic background and forecasts for interest rates

- 1.1. **Economic background:** The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.
- 1.2. At its meeting ending on 2nd February 2022 the MPC voted by a majority of 5-4 to increase Bank Rate by 0.25 percentage points, to 0.5%. The MPC voted unanimously for the Bank of England to begin to reduce the stock of UK government bond purchases by ceasing to reinvest maturing assets. The Committee also voted unanimously for the Bank of England to begin to reduce the stock of sterling non-financial investment-grade corporate bond purchases by ceasing to reinvest maturing assets and by a programme of corporate bond sales to be completed no earlier than the end of 2023.
- 1.3. The lower severity of Omicron means that the economic impact should be limited. The UK economy had a weak Q4 2021 due to the virus, but growth is likely to bounce back in Q1 2022. However, higher inflation will dampen demand. In the UK, households face a difficult outlook. Fiscal and monetary headwinds alongside a sharp reduction in real income growth will weigh on disposable income, ultimately leading to slower growth.
- 1.4. UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.
- 1.5. In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.
- 1.6. Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.
- 1.7. GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central

Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

- 1.8. The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.
- 1.9. **Credit outlook:** Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.
- 1.10. The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.
- 1.11. Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.
- 1.12. **Interest rate forecast:** The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.
- 1.13. Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.
- 1.14. Bond yields have risen sharply to accommodate tighter monetary policy, including the run off of central bank bond portfolios. The interplay between slowing growth and falling inflation, and tightening policy, will likely keep yields relatively flat.

2. Existing Treasury position

2.1. Borrowing and investments as at 31 December 2021 and at the same date in the prior year are shown in the following table.

	31st Dec 2020 Actual Portfolio £m	Average Rate %	31st Dec 2021 Actual Portfolio £m	Average Rate %
External borrowing:				
Public Works Loan Board	74.5	3.53	89.4	3.03
LOBO loans from banks	13.6	4.80	13.6	4.8
Welsh Government Loans	5.3	0.00	4.8	0.0
Local authority & other ST loans	77.9	0.15	61.9	0.1
Total external borrowing	171.3	1.98	169.7	2.30
Treasury investments:				
Banks & building societies (unsecured)	4.0	0.00	2.0	0.01
Government (incl. local authorities)	10.2	0.00	6.5	0.00
Money Market Funds	5.5	0.01	28.0	0.01
Strategic pooled funds	3.0	4.00	3.5	4.28
Total treasury investments	22.7	0.53	40.0	0.38
Net debt	148.6		132.10	

2.2. Borrowing is predominantly made up of fixed interest rate loans payable on maturity. Investments fluctuate daily and are represented by fixed term deposits, notice deposit accounts and money market funds. These balances arise due to the timing of cash flows and working capital as well as the existence of reserves, provisions and balances required for future use.

3. Borrowing

Borrowing requirement

3.1. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

Table 1: Balance sheet summary and forecast

	31.3.21 Estimate £m	31.3.22 Forecast £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
General Fund CFR	189.2	192.7	232.1	232.7	230.7	228.6
Less: Other debt liabilities *	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Loans CFR	186.8	190.3	229.7	230.3	228.3	226.1
Less: External borrowing **	(182.8)	(165.5)	(182.5)	(183.3)	(185.8)	(189.1)
Internal borrowing	4.1	24.8	47.2	47.0	42.5	37.0
Less: Usable reserves	(28.5)	(36.1)	(33.7)	(33.5)	(32.4)	(31.3)
[Less/Plus]: Working capital	(14.6)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
(Investments) or External borrowing requirement	(39.0)	(21.3)	3.5	3.5	0.1	(4.3)

* leases and PFI liabilities that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

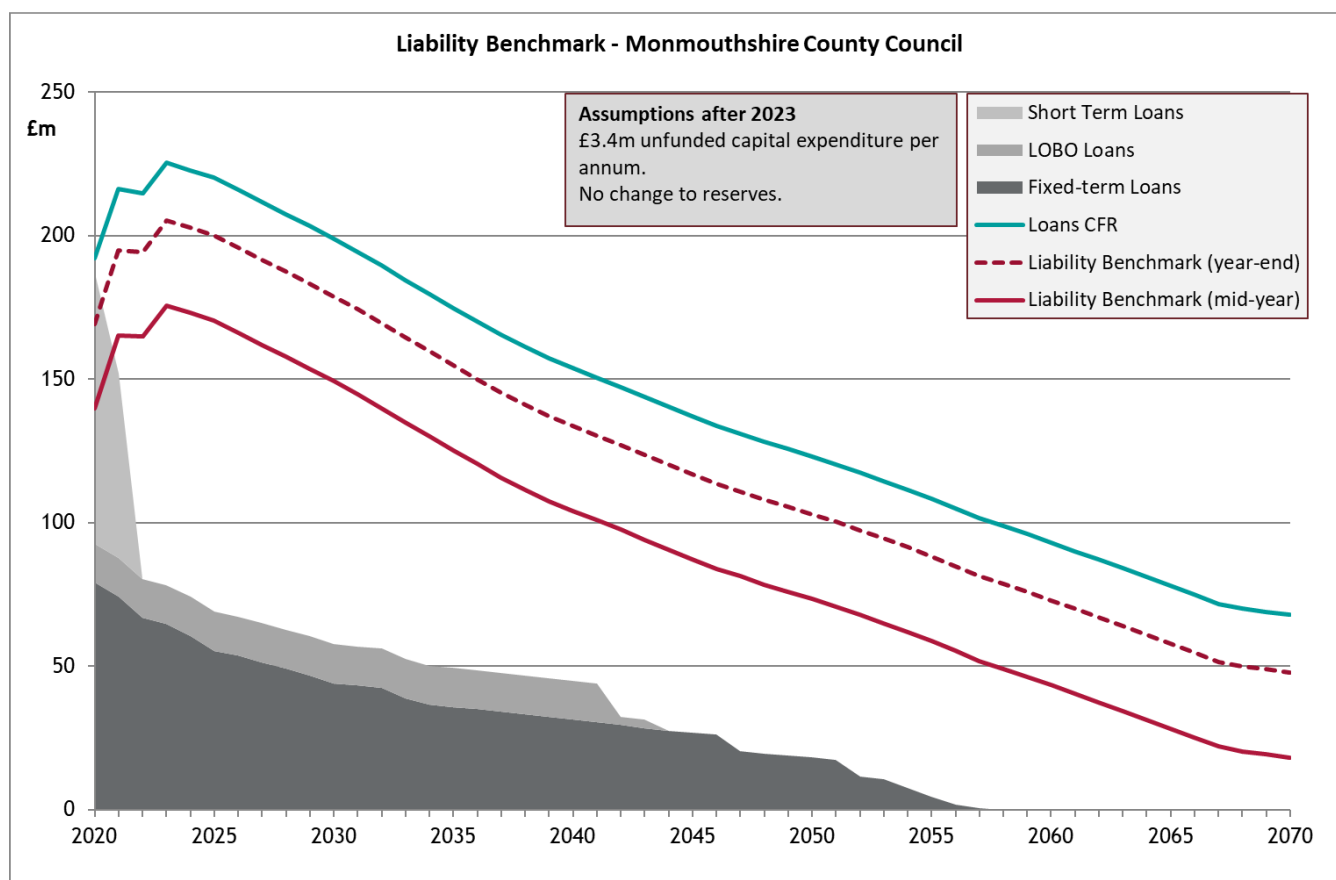
- 3.2. The Authority has an increasing CFR in the short term due to capital programme investment, alongside a comparatively low level of investments and will therefore be required to maintain an appropriate level of borrowing over the forecast period.
- 3.3. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation for the forthcoming year.
- 3.4. **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 2: Liability benchmark

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
Loans CFR	186.8	190.3	229.7	230.3	228.3	226.1
Less: Usable reserves	-28.5	-36.1	-33.7	-33.5	-32.4	-31.3
Less: Working capital	-14.6	-10.0	-10.0	-10.0	-10.0	-10.0
Plus: Preferred investments	0.0	0.0	0.0	0.0	0.0	0.0
Liability benchmark	143.7	144.2	186.0	186.8	185.9	184.8

- 3.5. Following on from the medium-term forecasts in Table 2 above, the long-term liability benchmark below assumes capital expenditure funded by borrowing is maintained as the 2022/23 capital MTFP and thereafter £3.4m per year; that minimum revenue provision on

new capital expenditure is based on asset life as in the MTFP or 25 years and; income, expenditure and reserves held are not increasing or decreasing beyond the MTFP window. This is shown in the chart below:



3.6. Our underlying need to borrow is shown by the top blue line. However, due to the use of reserves and working capital, the Authority is expected to need total external borrowing between the full red lower line and the dotted line above it. As our existing loans portfolio (shown in grey) reduce as loans mature, new loans will therefore be required to fill the gap between the grey area and the red lines over the longer term. The Authority intends to maintain about a 50% level of short term loans which will partly fill this gap, but we will still need to take out longer term loans, mainly to fund the capital investment built into the Capital MTFP.

3.7. The Council does not intend to borrow in advance of need and will not do so just to gain financially from short term investment of that borrowing. However, this option may be considered if it is felt that borrowing in advance allows opportunities to lock into favourable long-term rates as part of risk mitigation. This will be limited to no more than the expected increase in the Council’s Capital Financing Requirement over its medium term financial plan.

3.8. **Objectives:** The Authority’s chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority’s long-term plans change is a secondary objective.

Borrowing Strategy

- 3.9. Given the significant cuts to public expenditure over recent years and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. A roughly equal balance of long and short term debt is, at the time of writing, taken as the right balance to maintain sufficient long term stability.
- 3.10. The Bank of England Base Rate rose from 0.10% to 0.25% on 16th of December 2021, and to 0.5% on 2nd February 2022. Although this is still very low in an historical context another rise is expected in March 2022 and both short term local authority borrowing rates and PWLB rates have already risen.
- 3.11. At the start of December 2021, and with interest rate rises being implied in the market, the authority acted to lock in a further £20m of long term borrowing as outlined below:

Start Date	Duration (Years)	Amount	Rate	Weighted Rate
07/12/2021	45	5,000,000.00	1.43%	0.36%
07/12/2021	50	5,000,000.00	1.37%	0.34%
15/12/2021	46	2,500,000.00	1.31%	0.16%
15/12/2021	47	2,500,000.00	1.30%	0.16%
15/12/2021	48	2,500,000.00	1.29%	0.16%
15/12/2021	49	2,500,000.00	1.27%	0.16%
Total		20,000,000.00		1.35%

- 3.12. By doing so, the Authority was able to give some longer term certainty over borrowing costs and reduce overall treasury risk, despite some shorter term increases in overall interest cost. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 3.13. The Authority has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in

order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

- 3.14. Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 3.15. In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.
- 3.16. **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (except the Greater Gwent Pension Fund)
 - capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
 - CSC Foundry Ltd

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
 - hire purchase
 - Private Finance Initiative
 - sale and leaseback
- 3.17. **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.
- 3.18. **LOBOs:** The Authority holds £13.6m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOs have options during 2022/23, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

- 3.19. **Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.
- 3.20. **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Borrowing prudential indicators

3.21. **Gross debt compared to capital financing requirement**

Gross Debt Forecast compared to CFR £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt (Inc. PFI, leases, right of use assets)	165.5	182.5	183.3	185.8	189.1
Capital Financing Requirement (Total)	192.7	232.1	232.7	230.7	228.6

3.22. Gross debt is forecast to remain below the capital financing requirement over the term as part of the Council's overall borrowing strategy of utilising internal balances to fund part of the capital financing requirement. The Council will constantly monitor this position during the period, especially in light of a rising interest rate environment.

3.23. **Authorised Limit**

3.24. The Council must set and keep under review how much it can afford to borrow from debt or other long-term liabilities for the forthcoming year and at least the following two financial years (the Affordable Borrowing Limit). It must have regard to the Prudential Code and locally determined indicators when setting this limit and be content that the impact upon future Council Taxpayers and Council tenants is acceptable.

3.25. Based on the capital programme proposed, it is recommended that the Council approve the following authorised limits and operational boundaries. The undertaking of other long-term liabilities, within the overall limit, is delegated to the Section 151 Officer based on the outcome of financial option appraisals and best value considerations.

3.26. The operational boundary remains an internal management tool to monitor borrowing levels and exceeding the boundary would not represent a compliance failure.

<u>Authorised & Operational Borrowing Limits</u>	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Authorised limit - borrowing	246.5	268.2	269.1	268.1	267.1
Operational boundary - PFI, leases & right of use assets	4.4	4.4	4.4	4.4	4.4

Authorised Limit - total external debt	250.9	272.6	273.5	272.5	271.5
Operational Boundary - borrowing	216.3	238.0	238.9	237.9	236.9
Operational Boundary - PFI, leases & right of use assets	2.9	2.9	2.9	2.9	2.9
Operational Boundary - total external debt	219.2	240.9	241.8	240.8	239.8

3.27. Maturity structure of borrowing

3.28. This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	60%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	30%	0%
10 years and within 20 years	30%	0%
20 years and within 30 years	30%	0%
30 years and within 40 years	30%	0%
40 years and within 50 years	30%	0%
50 years and above	30%	0%

3.29. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

3.30. Proportion of financing costs to net revenue stream

3.31. The table below compares the financing costs to the net revenue stream i.e. the amount of income from Council Tax, business rates and general government grants.

Proportion of Financing Costs to net revenue stream	2021/22 Budget	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Net Interest payable £m	3.6	3.9	4.1	4.1	4.5
MRP £m	6.4	6.7	7.3	7.6	7.7
Total Financing costs £m	10.0	10.6	11.4	11.7	12.2
Net Revenue Stream (£m)	155.1	168.9	179.3	187.6	196.3
Proportion of net revenue stream %	6.45%	6.29%	6.38%	6.24%	6.21%

3.32. MRP Policy Statement 2022/23

- 3.33. Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to Welsh Government's Guidance on Minimum Revenue Provision (the WG Guidance) most recently issued in 2018.
- 3.34. The broad aim of the WG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 3.35. The WG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement only incorporates options recommended in the Guidance.
- 3.36. MRP options recommended in the Guidance include:
- Option 1: Regulatory Method
 - Option 2: CFR Method
 - Option 3: Asset Life Method – based on equal instalments or using an annuity method
 - Option 4: Depreciation Method

Note: This does not preclude other prudent methods.

- 3.37. The following statement only incorporates options recommended in the Guidance.

MRP in 2022/23:

- 3.38. **MRP on Supported Borrowing funded Expenditure:** The Authority's policy is to apply Option 3, the Asset life method in respect of supported capital expenditure funded from borrowing. The charge will be based on 2% per annum, equivalent to equal instalments over a 50 year life.
- 3.39. **MRP on Unsupported Borrowing funded Expenditure:** The Authority's policy is to apply Option 3, the Asset life method in respect of unsupported capital expenditure funded from borrowing. The MRP is calculated on an annuity basis within the asset life method, whereby the MRP element increases over time to reflect a consistent charge over life of the assets taking into account the real value of money. The first MRP charge will be in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years. These lives may be reduced if it is prudent to do so because the resultant income stream or useful life to the Authority is shorter.

- 3.40. **MRP in respect of leases and PFI:** For assets acquired by leases or Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 3.41. Where former operating leases are potentially brought onto the balance sheet on 1st April 2022 due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
- 3.42. For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council may make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the WG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred in the loan is fully funded over the life of the assets.
- 3.43. Capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24. The 2022/23 budget proposals reflect these outlined positions.

4. Treasury investments

Investment strategy

- 4.1. The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £10.5m and £53.2m million, and similar levels are expected to be maintained in the forthcoming year.
- 4.2. Loans to organisations providing local public services and purchases of investment property are not considered to be treasury investments, and these are therefore covered separately in **Appendix 4**.
- 4.3. **Objectives:** Both the CIPFA Code and the WG Guidance require the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

- 4.4. **Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 4.5. **Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority will look to increase its diversification into higher yielding asset classes, such as pooled funds, during 2022/23. The Authority continues to hold £10m of investments to meet the requirements of a professional client under the Mifid II regulations (Markets in financial instruments directive) and therefore consideration will be given to investing this balance with a more medium to long term outlook. At the time of writing £4m was held in Pooled Funds investments with plans to invest a further £2m by the end of the 2021/22 financial year.
- 4.6. **Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority’s “business model” for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 4.7. **Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	Unlimited
Local authorities & other government entities	5 years	£4m	Unlimited
Secured investments *	5 years	£4m	75%
Banks (unsecured) *	13 months	£2m (£3m total for the Councils operational bank)	50%
Building societies (unsecured) *	13 months	£2m	50%
Registered providers (e.g. Housing Associations (unsecured) *)	5 years	£2m	50%
Money market funds *	n/a	£4m	Unlimited
Strategic pooled funds	n/a	£5m	£10m
Real estate investment trusts	n/a	£5m	£10m
Other Investments	13 months	£2m	£5m

Credit rating	Banks unsecured	Banks secured	Government	Corporates
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a
AAA	£3m 13 months	£4m 5 years	n/a	£4m 5 years
AA+	£3m 13 months	£4m 5 years	n/a	£4m 5 years
AA	£3m 13 months	£4m 5 years	n/a	£4m 5 years
AA-	£3m 13 months	£4m 3 years	n/a	£4m 3 years
A+	£3m 13 months	£4m 2 years	n/a	£4m 2 years
A	£3m 13 months	£4m 2 years	n/a	£4m 2 years
A-	£3m 13 months	£4m 13 months	n/a	£4m 13 months

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than [A-]. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty

credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to its own banker. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be limited to £3m. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

4.8. **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and

- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 4.9. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 4.10. **Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 4.11. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.
- 4.12. **Investment limits:** The Authority’s revenue reserves available to cover investment losses are forecast to be £20.0m on 31st March 2022. In order that no more than 25% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5m. A group of entities under the same ownership will be treated as a single organisation for limit purposes.
- 4.13. Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Additional investment limits

	Cash limit
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker’s nominee account	£5m per broker
Foreign countries	£4m per country

4.14. **Liquidity management:** The Authority is a net borrower and does not have an overdraft set up due to the high cost to do so. The treasury team maintain a cashflow model which calculates the net cashflow movements expected per year based on the capital medium term financial plan and informs the timing and amount of any longer term investment and borrowing decisions. The aim of short term liquidity management is to borrow only when the need arises and therefore to minimise net borrowing costs. The amount of investments, with duration over one day, held at any one time is a balance between increased returns and the time taken/dealing costs of identifying and implementing those investments.

Investment prudential indicators

4.15. The Authority measures and manages its exposures to treasury management risks using the following indicators.

4.16. **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating / credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit rating / score	A- / 5.0

5. Related matters

5.1. The CIPFA Code requires the Authority to include the following in its treasury management strategy:

5.2. **Financial derivatives:** In the absence of any explicit legal power to do so, the Authority will not use standalone financial derivatives (such as swaps, forwards, futures and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

5.3. **Markets in Financial Instruments Directive:** The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Section 151 officer or deputy believes this to be the most appropriate status.

5.4. **Government Guidance:** Further matters required by the WG Guidance are included in Appendix 4.

Financial Implications

5.5. The budget for investment income in 2022/23 is £134k, based on an average investment portfolio of £10m. The majority of returns are expected to come from pooled fund investments with returns from Government or secured/unsecured investments expected to be negligible. The budget for debt interest paid in 2022/23 is £3.95m, based on an average debt portfolio of £169.7m at an average interest rate of 2.30%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

5.6. The WG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

6. Additional requirements of Welsh Government Investment Guidance

- 6.1. The Welsh Government (WG) published revised Investment Guidance in November 2019 which places additional reporting requirements upon local authorities that are not integral to this Authority's treasury management processes. The guidance also covers investments that are not part of treasury management, for example investment property and loans to local organisations.
- 6.2. **Contribution:** The Authority's investments contribute to its service delivery objectives and/or to promote wellbeing as follows:
- treasury management investments support effective treasury management activities,
 - loans to local organisations provide financial support to those organisations to enable them to deliver local public services that would otherwise be provided directly by the Authority, and
 - investment property provides a net financial surplus that is reinvested into local public services and supports economic regeneration.
- 6.3. **Climate change:** The Authority's investment decisions consider long-term climate risks to support a low carbon economy in line with its declaration of a Climate Emergency in 2019. Transition towards Net Zero – We need to increase the pace with which we are decarbonising our own operations while developing guidance and support to help individuals and businesses reduce their own emissions. We updated our decarbonisation action plan in November 2021 and will be working on a more ambitious programme which will be published in 2022.
- 6.4. **Specified investments:** The WG Guidance defines specified investments as those:
- denominated in pound sterling,
 - due to be repaid within 12 months of arrangement unless the counterparty is a local authority,
 - not defined as capital expenditure by legislation, and
 - invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of "high credit quality".
- 6.5. The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of [A-] or higher.
- 6.6. **Loans:** The WG Guidance defines a loan as a written or oral agreement where the authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who agrees a return according to the terms and conditions of receiving the loan, except where the third party is another local authority.

- 6.7. A local authority may choose to make loans & other investments in local enterprises, local charities, wholly owned companies and joint ventures where relevant to Council functions and to promote local economic growth.
- 6.8. The Authority uses an allowed 'expected credit loss' model for loans and receivables as set out in *International Financial Reporting Standard 9 Financial Instruments* as adopted by proper practices to measure the credit risk of its loan portfolio. Appropriate consideration is given to state aid rules and competition law. The Authority has appropriate credit control arrangements to recover overdue repayments in place.
- 6.9. **Non-specified investments:** Any financial investment not meeting the definition of a specified investment or a loan is classed as non-specified. Given the wide definition of a loan, this category only applies to units in pooled funds and shares in companies.
- 6.10. **Non-financial investments:** This category covers non-financial assets held primarily or partially to generate a profit, primarily investment property. Security is determined by comparing each asset's purchase price to its fair value using the model in International Accounting Standard 40: Investment Property as adapted by proper practices. The Authority's current Investment Property portfolio is divided into long held Investment Properties such as County Farms and the three more recently acquired commercial Investment Properties which support economic regeneration.
- 6.11. The total of the Authorities usable reserves at 31st March 2021 was £32.8m. This represents 107% of the current value of the Authorities Commercial Investment Properties acquired to date. Due to the due diligence process undertaken before Commercial Investments are entered into and the forecast income over the lifetime of the assets, these investments are considered to be prudent by the Authority.
- 6.12. **Liquidity:** The Authority's liquidity management has been detailed in the main Treasury report with regard to treasury activities. Before supporting local entities or placing a commercial investment the impact on liquidity is fully addressed, most commonly by taking out loans of an appropriate maturity to ensure funds are available for the life of the activity. £40,000 of seed funding was placed with SRS Ltd in 2011/12 with the intention of it remaining there for the long term to support that entity.
- 6.13. Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority will follow its Investment strategy for Commercial assets which ensures that any borrowed capital will be repaid with annual income earned from the investment or that an exit strategy identified during the due diligence will be followed.
- 6.14. **Yield (net profit):** The Authority utilises its profit generating investment activity to achieve a balanced revenue budget. Table 1 below details the proportion of treasury & property rental income to the net revenue budget and therefore its contribution to meeting the costs of

delivery of the Authorities primary functions. Any Authority wide shortfall, including shortfalls resulting from lower than budgeted returns from Investments, will be addressed as part of that process to bring the Authority's outturn position back to a balanced position.

Table 5: Proportionality of Investments

	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
Net direct cost of services	171.9	185.8	195.7	203.8	212.2
Investment income	3.3	3.3	3.3	3.3	3.3
Proportion	1.9%	1.8%	1.7%	1.6%	1.6%

- 6.15. **Investment advisers:** The Authority has appointed Arlingclose Limited as treasury management advisers with the current contract running until 31st March 2022, and has used Alder King as advisers for the last two Commercial investment Property Acquisitions. The quality of these services is controlled by the Finance and Estates teams and also the Investment Committee appointed to oversee the Commercial Investments.
- 6.16. **Borrowing in advance of need:** Welsh Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority, after having regard to the provisions in this guidance has entered into its commercial investments utilising Local Authority investment powers, which allow for the prudent management of its financial affairs where carried out reasonably and in accordance with an authority's primary function to serve the public. Returns from commercial investments help to ensure there are sufficient funds to continue to provide public services and promote economic regeneration.
- 6.17. **Capacity and skills:** The Section 151 officer is responsible for ensuring that those elected members and statutory officers involved in the investment decision making process have appropriate capacity, skills and information to enable them to:
- take informed decisions as to whether to enter into a specific investment;
 - assess individual investments in the context of the strategic objectives and risk profile of the local authority; and
 - understand how the quantum of these decisions have changed the overall risk exposure of the local authority.
- 6.18. The Governance & Audit Committee has a delegated responsibility to scrutinise the treasury management activity of the Authority, which ensures that elected members have the necessary opportunity to assess whether officers are operating within the boundaries of both the prudential framework and the internal boundaries approved within the treasury strategy. The Governance & Audit Committee is provided with training by the Authority's Treasury Management advisers periodically and have been presented with a questionnaire to assess further training requirements

- 6.19. **Commercial deals:** The investment committee is responsible for ensuring that those tasked with negotiating commercial deals have the appropriate skills and access to information to allow them to operate with regard to the principles of the prudential framework and regulatory regime within which the Authority operates.

7. Advisors Economic & Interest Rate Forecast – December 2021

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

Forecast:

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.
- Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.

- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.
- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

	Current	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.50	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.00	0.05	0.20	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.50	0.85	1.20	1.25	1.15	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.35	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Arlingclose Central Case	1.22	1.20	1.20	1.20	1.20	1.20	1.20	1.15	1.15	1.15	1.15	1.15	1.15
Downside risk	0.00	-0.20	-0.25	-0.25	-0.30	-0.35	-0.40	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
10yr gilt yield													
Upside risk	0.00	0.40	0.45	0.55	0.60	0.65	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Arlingclose Central Case	1.37	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Downside risk	0.00	-0.20	-0.30	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60
20yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Arlingclose Central Case	1.54	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55
Downside risk	0.00	-0.30	-0.35	-0.40	-0.40	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
50yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Arlingclose Central Case	1.22	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Downside risk	0.00	-0.30	-0.35	-0.40	-0.40	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%
 PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

8. Glossary of treasury terms

Authorised Limit	<p>The affordable borrowing limit determined in compliance with the Local Government Act 2003 (English and Welsh authorities) and the Local Government in Scotland Act 2003. This Prudential Indicator is a statutory limit for total external debt. It is set by the Authority and needs to be consistent with the Authority's plans for capital expenditure financing and funding. The Authorised Limit provides headroom over and above the <i>Operational Boundary</i> to accommodate expected cash movements. Affordability and prudence are matters which must be taken into account when setting this limit.</p> <p>(see also <i>Operational Boundary</i>, below)</p>
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Balances and Reserves	Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.
Bail-in	Refers to the process which the banking regulatory authorities will use to restructure a financial institution which is failing or likely to fail. Unsecured creditors of and investors in that financial institution will participate in its restructure who will, as a consequence, incur a non-recoverable loss (commonly referred to as a 'haircut') on their obligation/investment. Local authority investments with banks and building societies such as term deposits, certificates of deposit, call accounts and non-collateralised bonds are unsecured investments and are therefore vulnerable to bail-in.
Bank Rate	The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". This rate is also referred to as the 'repo rate'.
Bond	A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.
Capital Expenditure	Expenditure on the acquisition, creation or enhancement of capital assets
Capital Financing Requirement (CFR)	The Council's underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.
Capital growth	Increase in the value of the asset (in the context of a collective investment scheme, it will be the increase in the unit price of the fund)
Capital receipts	Money obtained on the sale of a capital asset.
CIPFA	Chartered Institute of Public Finance and Accountancy
Constant Net Asset Value (CNAV)	Also referred to as Stable Net Asset Value. A term used in relation to the valuation of 1 share in a fund. This means that at all times the value of 1 share is £1/€1/US\$1 (depending on the currency of the fund). The Constant NAV is maintained since dividend income (or interest) is either added to the shareholders' account by creating shares equal to the value of interest earned or paid to the shareholder's bank account, depending on which option is selected by the shareholder.
Collective Investment Schemes	Funds in which several investors collectively hold units or shares. The assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'Pooled Funds'). Unit Trusts and Open-Ended Investment Companies are types of collective investment schemes / pooled funds.
Corporate Bonds	Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.

Corporate Bond Funds	Collective Investment Schemes investing predominantly in bonds issued by companies and supranational organisations.
CPI <i>Also see RPI</i>	Consumer Price Index. (This measure is used as the Bank of England's inflation target.)
Credit Default Swap (CDS)	A Credit Default Swap is similar to an insurance policy against a credit default. Both the buyer and seller of a CDS are exposed to credit risk. Naked CDS, i.e. one which is not linked to an underlying security, can lead to speculative trading.
Credit Rating	Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.
Cost of carry	When a loan is borrowed in advance of requirement, this is the difference between the interest rate and (other associated costs) on the loan and the income earned from investing the cash in the interim.
Credit default swaps	Financial instrument for swapping the risk of debt default; the buyer effectively pays a premium against the risk of default.
Diversification / diversified exposure	The spreading of investments among different types of assets or between markets in order to reduce risk.
Derivatives	Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded 'over the counter'.
ECB	European Central Bank
Federal Reserve	The US central bank. (Often referred to as "the Fed")
Floating Rate Notes	A bond issued by a company where the interest rate paid on the bond changes at set intervals (generally every 3 months). The rate of interest is linked to LIBOR and may therefore increase or decrease at each rate setting
GDP	Gross domestic product - also termed as "growth" in the economy. The value of the national aggregate production of goods and services in the economy.
General Fund	This includes most of the day-to-day spending and income. (All spending and income related to the management and maintenance of the housing stock is kept separately in the HRA).
Gilts (UK Govt)	Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged': being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

Housing Revenue Account (HRA)	A ring-fenced account of all housing income and expenditure, required by statute
IFRS	International Financial Reporting Standards
Income Distribution	The payment made to investors from the income generated by a fund; such a payment can also be referred to as a 'dividend'
Investments - Secured - unsecured	Secured investments which have underlying collateral in the form of assets which can be called upon in the event of default Unsecured investments do not have underlying collateral. Such investments made by local authorities with banks and building societies are at risk of bail-in should the regulator determine that the bank is failing or likely to fail.
Liability Benchmark	Term in CIPFA's Risk Management Toolkit which refers to the minimum amount of borrowing required to keep investments at a minimum liquidity level (which may be zero).
LOBOs	LOBO stands for 'Lender's Option Borrower's Option'. The underlying loan facility is typically long term and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at predetermined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility.
LVNAV (Low Volatility Net Asset Value)	From 2019 Money Market Funds will have to operate under a variable Net Value Structure with minimal volatility (fluctuations around £1 limited to between 99.8p to 100.2p)
Maturity	The date when an investment or borrowing is repaid.
Maturity profile	A table or graph showing the amount (or percentage) of debt or investments maturing over a time period. The amount or percent maturing could be shown on a year-by-year or quarter-by-quarter or month-by-month basis.
MiFID II	MiFID II replaced the Markets in Financial Instruments Directive (MiFID I) from 3 January 2018. It is a legislative framework instituted by the European Union to regulate financial markets in the bloc and improve protections for investors.
Money Market Funds (MMF)	Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.
Minimum Revenue Provision	An annual provision that the Authority is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets

Non-Specified Investments	Term used in the Communities and Local Government Guidance and Welsh Assembly Guidance for Local Authority Investments. It includes any investment for periods greater than one year or those with bodies that do not have a high credit rating, use of which must be justified.
Net Asset Value (NAV)	A fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.
Operational Boundary	This is the limit set by the Authority as its most likely, i.e. prudent, estimate level of external debt, but not the worst case scenario. This limit links directly to the Authority's plans for capital expenditure, the estimates of the Capital Financing Requirement (CFR) and the estimate of cashflow requirements for the year.
Permitted Investments	Term used by Scottish Authorities as those the Authority has formally approved for use.
Pooled funds	See Collective Investment Schemes (above)
Premiums and Discounts	<p>In the context of local authority borrowing, (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and (b) the discount is the gain arising when a loan is redeemed prior to its maturity date. If on a £1 million loan, it is calculated* that a £100,000 premium is payable on premature redemption, then the amount paid by the borrower to redeem the loan is £1,100,000 plus accrued interest. If on a £1 million loan, it is calculated that a £100,000 discount receivable on premature redemption, then the amount paid by the borrower to redeem the loan is £900,000 plus accrued interest.</p> <p>PWLB premium/discount rates are calculated according to the length of time to maturity, current market rates (plus a margin), and the existing loan rate which then produces a premium/discount dependent on whether the discount rate is lower/higher than the coupon rate.</p> <p>*The calculation of the total amount payable to redeem a loan borrowed from the Public Works Loans Board (PWLB) is the present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.</p>
Private Finance Initiative (PFI)	Private Finance Initiative (PFI) provides a way of funding major capital investments, without immediate recourse to the public purse. Private consortia, usually involving large construction firms, are contracted to design, build, and in some cases manage new projects. Contracts can typically last for 30 years, during which time the asset is leased by a public authority.
Prudential Code	Developed by CIPFA and introduced on 01/4/2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.
Prudential Indicators	Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators between authorities.

PWLB	Public Works Loans Board. It is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.
Quantitative Easing	In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It “does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions - that could be insurance companies, pension funds, banks or non-financial firms - and credits the seller’s bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim against the Bank of England (known as reserves). The end result is more money out in the wider economy”. Source: Bank of England
Registered Provider of Social Housing	Formerly known as Housing Association
Revenue Expenditure	Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges
RPI	Retail Prices Index. A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent. Pensions and index-linked gilts are uprated using the CPI index.
SORP	Statement of Recommended Practice for Accounting (Code of Practice on Local Authority Accounting in the United Kingdom).
Specified Investments	Term used in the CLG Guidance and Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than 1 year. UK government, local authorities and bodies that have a high credit rating.
Supported Borrowing	Borrowing for which the costs are supported by the government or third party.
Supranational Bonds	Instruments issued by supranational organisations created by governments through international treaties (often called multilateral development banks). The bonds carry an AAA rating in their own right. Examples of supranational organisations are those issued by the European Investment Bank, the International Bank for Reconstruction and Development.
Treasury Management Code	CIPFA’s Code of Practice for Treasury Management in the Public Services. The current Code is the edition released in autumn 2011.
Temporary Borrowing	Borrowing to cover peaks and troughs of cash flow, not to fund spending.
Term Deposits	Deposits of cash with terms attached relating to maturity and rate of return (interest)

Unsupported Borrowing	Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.
Usable Reserves	Resources available to finance future revenue and capital expenditure
Variable Net Asset Value (VNAV)	A term used in relation to the valuation of 1 share in a fund. This means that the net asset value (NAV) of these funds is calculated daily based on market prices.
Working Capital	Timing differences between income/expenditure and receipts/payments
Yield	The measure of the return on an investment instrument



SUBJECT:	POPULATION NEEDS ASSESSMENT
MEETING:	Council
DATE:	3rd March 2022
DIVISION/WARDS AFFECTED:	All

NON-PUBLICATION

1. PURPOSE:

- 1.1 To seek approval of the Population Needs Assessment which identifies the care and support needs of the people in the area and their carers in line with the requirements of The Social Services and Well-being (Wales) Act 2014
- 1.2 To demonstrate how the PNA aligns to the regional Wellbeing Assessment required Wellbeing of Future Generations Act.

2. RECOMMENDATIONS:

- 2.1 That the Population Needs Assessment be approved by Council prior to publication.
- 2.2 Once the Population Needs Assessment has been agreed by all local authorities s to share and upload to the council's website.

3. KEY ISSUES:

- 3.1 As set out in the Social Services and Wellbeing (Wales) Act 2014, local authorities and local Health Boards must enter into a partnership to produce one population assessment report per local government electoral cycle. The Act also stipulates:
 - the Regional Partnership Board is required to produce the Population Needs Assessment (PNA) and
 - local authorities and local health boards are required formally to approve the PNA report and make available on their websites. A copy of the population assessment report must be completed by April 2022 and also be sent to Welsh Ministers at the time of publication.
- 3.2 The first regional Population Needs Assessment (PNA) was overseen by the Gwent Regional Partnership Board (RPB) in April 2016. The PNA aligned to Wellbeing Assessment completed by Public Service Boards as required under the Wellbeing of Future Generations Act. The 2022 PNA report (APPENDIX 1) will also align, integrate and cross reference the Gwent Wellbeing Assessment to avoid duplication and create a joint population wellbeing assessment for the region (this section can be read alongside the regional Wellbeing Assessment or as an individual document).

- 3.3 The first PNA was approved and signed off across the region on 1st April 2017(follow link to RPB website Population Needs Assessment [Home - Gwentrpb](#)) The identified need was used to develop the regional Area Plan. Following the publication of the regional report each local authority and health board was required to prepare and publish a plan setting out the range and level of services they proposed to provide, or arrange to be provided, in response to the population needs assessment. The plans are formally referred to as Area plans and a statutory requirement under the SSWB Act. The first regional Area Plan was published 1st April 2018 and set out the partnership working and delivery of services in response to each core theme identified in the population assessment.
- 3.4 In March 2021, Welsh Government released supplementary advice for Regional Partnership Boards to support development of Population Needs Assessments (PNAs). There were no changes to the guidance, however, some additional information and definition of core themes were included but the statutory PNA themes have not changed and are set out below.
- children and young people
 - older people
 - health / physical disabilities
 - learning disability/autism
 - mental health
 - sensory impairment
 - carers who need support; and
 - violence against women, domestic abuse and sexual violence
- 3.5 In Gwent we took an approach to produce a separate Area Plan section for autism, and WG have advised that separate PNA sections should be produced for the next PNA. An additional section in relation to Housing is also appropriate and can provide a clear link to the national strategies and partnership working with Registered Social Landlords (RSLs).
- 3.6 The PNA has identified and reinforced existing areas of need and priorities for action including:
- Continued support to children looked after and reduction of out of county placements
 - Ageing population, loneliness amongst older people and increase in people living with dementia
 - Carers and the need for access to information, respite and mental health support
 - The need for emotional wellbeing and mental health support across the region
 - To mitigate impact of the Covid-19 pandemic and long covid
 - Support to vulnerable groups including people living with learning disabilities, physical disabilities and autism
- 3.7 It will be unrealistic for the PNA to include all the identified needs across health and social care but the regional report will highlight the joint priorities to be progressed across public services, the health board and voluntary sector.
- 3.8 Engagement with citizens is a key requirement under the SSWB Act and the PNA has been developed and includes qualitative data from a range of citizen groups.
- 3.9 As required with the first PNA, the Regional Partnership Board will have to develop a regional Area Plan – publication 1st April 2023 – and will set out how the identified need will be met through partnership working and collaboration. The RPB will once again work alongside Public Service Board partners to ensure alignment with Wellbeing plans required

under the Wellbeing of Future Generations Act, as well as linking to LA Corporate Plans and ABUHB Integrated Medium Term Plan.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

- 4.1 The PNA is predicated on the same principles as Wellbeing Assessments required under the Wellbeing of Future Generations Act and will also include a full impact assessment. The needs highlighted, and subsequently delivered the Area Plan will contribute to various legal requirements and statutory duties.

5. OPTIONS APPRAISAL

- 5.1 MCC are required under the Social Services and Wales (Wellbeing) Act 2014 to consider and agree a regional PNA.

6. EVALUATION CRITERIA

- 6.1 There is no formal need to evaluate the PNA but an indication of effectiveness will be through the development of the regional Area Plan and subsequent delivery of partnership priorities, as well as innovating current service models to meet future demands.

7. REASONS:

- 7.1 MCC are required under the Social Services and Wales (Wellbeing) Act 2014 to consider and agree a regional PNA.

8. RESOURCE IMPLICATIONS:

- 8.1 There are no direct financial implications to developing and approving the PNA, but maximising public service budgets and reinvesting into preventative programmes is a key requirement under the SSWB Act. However, development of the action plans that underpin the population assessments will require officer time.

9. CONSULTEES:

- 9.1 Jane Rogers, Chief Officer Social Care & Health, MCC
Strategic Leadership Team
Cabinet
Public Services Select Committee
- 9.2 The PNA has been developed with all RPB partners including local authorities, ABUHB, voluntary sector and private providers of care; as well as our regional citizen panel, carers forum, older people forums, parent groups and young people forums.
- 9.3 The voice of citizens, third sector partners and service providers are key to developing this PNA. Citizen voices have been included in each PNA section and coordinated through the

regional Citizen Panel and Chair who sits on the RPB. There has been extensive engagement across the region using various methodologies such as Snap surveys, social media and established forums (Carers forum, Youth Council, Dementia Friendly cafes etc).

9.4 The Public Services Select Committee concluded the following in conducting pre-decision scrutiny on the Population Needs Assessment:

- Mental health support for young people is a key concern and the committee was reassured to hear the work is beginning in schools.
- The Looked After Children figure is high across Wales and the committee was reassured about the improvement in services for people living with disabilities.
- The increase in people living longer highlights that care needs are likely to increase. The Committee recognised the huge strain that dementia places on families trying to care for loved ones and raised concerns about the staff shortages in the profession and the remuneration of staff who are undertaking very challenging work.

10. BACKGROUND PAPERS:

11. AUTHOR:

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Gwent Regional Partnership Board Population Needs Assessment

Introduction

As set out in the Social Services and Wellbeing (Wales) Act 2014 local authorities and local Health Boards must produce one population assessment report per local government electoral cycle. The first regional Population Needs Assessment (PNA) was completed by the Gwent Regional Partnership Board (RPB) in April 2016 and aligned to Wellbeing Assessment completed by Public Service Boards as required under the Wellbeing of Future Generations Act. This PNA report will also align, integrate and cross reference the Gwent Wellbeing Assessment to avoid duplication and create a joint population wellbeing assessment for the region (this section can be read alongside the regional Wellbeing Assessment or as an individual document).

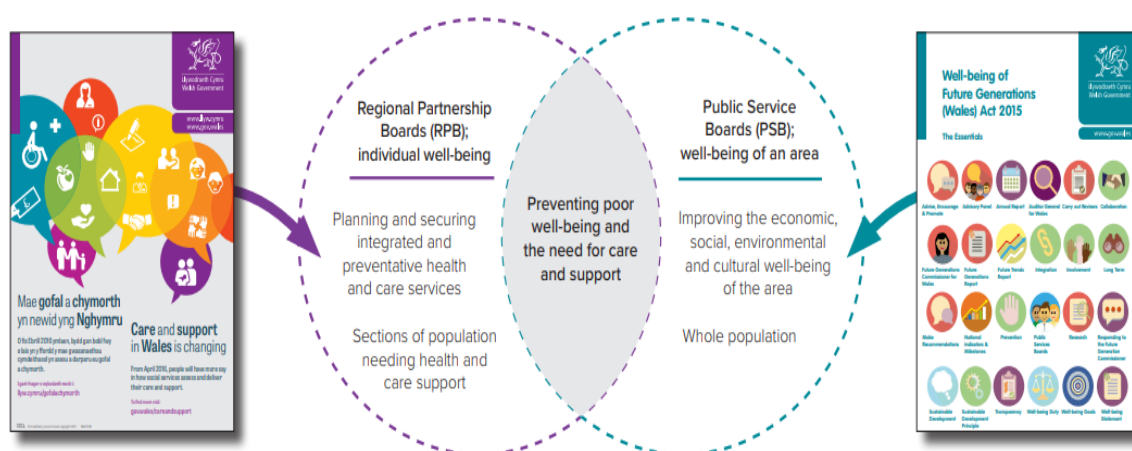


Fig 1: Relationship between RPBs and Public Service Boards.

As set out in Welsh Government’s SSWB Act Part 2 Code of Practice, this population assessment comprises of (1) an assessment of need the (2) range and level of services required. It will also jointly assess:

- the extent to which there are people in the area of assessment who need care and support
- the extent to which there are carers in the area of assessment who need support
- the extent to which there are people whose needs for care and support (or, in the case of carers, support) are not being met.

Policy Areas included and within this Population Needs Assessment (PNA).

- National Health Service (Wales) Act 2006 and children and young people’s plans as required by the Children Act 2004.
- Integrated Medium Term Plans produced by Local Health Boards as required by the NHS Finance (Wales) Act 2014,
- Part 2 of the Housing (Wales) Act 2014 including local homelessness strategies
- United Nation Convention on the Rights of Persons with Disabilities, United Nation Convention on the Rights of the Child, and the United Nation Principles for Older Persons

- Equality Act 2010 Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion and Beliefs, Sex and Sexual Orientation.
- National Outcomes Framework
- Welsh language strategic framework More than just words
- Socio -Economic Duty

Engagement - a culture not a process

The voice of citizens, third sector partners and service providers are key to developing this PNA and the guidance on effective citizen engagement, set out in *'National participation Standards, Participation Cymru's National Principles for Public Engagement in Wales'* and the Older People's Commissioner's Best Practice Guidance for *'Engagement and Consultation with Older People on Changes to Community Services in Wales'*, have been considered. Citizen voices have been included in each PNA section and coordinated through the regional Citizen Panel and Chair who sits on the RPB. This also includes populations from the secure estate in order to fulfil the requirements of section 11 of the Act.

There has been extensive engagement across the region using various methodologies such as Snap surveys, social media and established forums (Carers forum, Youth Council, Dementia Friendly cafes etc). An online survey was distributed across the region and the Public Service Board have analysed comments to identify themes; and there were over 1500 individual comments in relation to health and social care.

Social Care – “Affordable social care and good support for carers”

The need for increased social care provision was a regular theme that emerged through the survey, especially in regard to providing adequate social care for older people. Other comments include:

‘More funding for those with learning difficulties will help provide more support and better quality respite for children and adults with learning difficulties’

A need for improved services for older people within the community and just want somebody to talk to

Elderly people are feeling isolated- More day centres need to be available as many services have closed during the pandemic

Local Authorities - “The Council is doing more to help residents than ever”

There is a mixed view on the local authorities across Gwent from residents. Many commented that their local council has provided more support than ever during the pandemic whereas other residents have expressed concern regarding a lack of involvement from their local council, finding difficulties in knowing what is available within their community as a result of this. When asked what we could do to help improve on this, one resident noted how we

could introduce well-being ambassadors to help improve cohesion between local communities and their council.

Health – “Fair and equal access to support when needed”

Health and wellbeing are important to residents across Gwent and many individuals commented on the importance of mental health services and improving access to them for both adults and children. Residents commented on the importance of exercise and the ability to maintain a healthy lifestyle, access to sports centres and green spaces were felt to be key to this.

‘Need for a more efficient Mental Health and well-being service- Concerns around waiting times and responses from health and well-being advisors’

There were multiple positive comments on health services in the region however a number of residents noted the importance of having access to face to face appointments with their local GP. Difficulties in being able to access appointments for dentists and GPs were raised. Residents also highlighted the importance of given local communities the skills to be able to manage their own health and wellbeing so that there isn’t as much need for services.

‘Waiting list to access all services are high, housing, GPs, social services’

Schools – “There is a sense of community- good schools and facilities”

Throughout the feedback on what we can do to improve wellbeing in Gwent in the future, schools are highlighted as a tool that can be utilised by local communities for groups to meet and more community classes to be held. Schools are very much seen as a positive way to engage with our local residents too.

More Youth activities – Help improve mental well-being of teenagers

Focussed work with minority groups

We have engaged the views of those who would otherwise be hard to reach and marginalised including minority groups such as homeless people and travellers. We have used existing mechanisms to engage with vulnerable groups such as those set out below.

- *Military veterans*
- *Gypsy travellers*
- *Black And Minority Ethnic groups*
- *Asylum seekers and refugees*
- *Lesbian Gay Bisexual Transgender (LGBT) community*
- *People in secure estates and their families*
- *Children and young people in contact with the Youth Justice System*
- *Looked After Children and young carers*
- *Homeless people*

Veterans

A veteran is defined as: ‘anyone who has served for at least one day in the Armed Forces (Regular or Reserve), as well as Merchant Navy seafarers and fishermen who have served in a vessel that was operated to facilitate military operations by the Armed Forces.

In 2017 the Ministry of defence estimated 2.4 million UK Armed Forces Veterans in the UK, making up an estimated 5% of household residents aged 16 and over. There are approximately 140,000 veterans living in Wales and Veterans aged above working age (65+) are estimated at 82,000. The majority of Service Leavers transition from the Armed Forces well and integrate back to community life with the right support at the right time. Studies identify that most veterans in general view their time in the Services as a positive experience and do not suffer adverse health effects as a result of the time they have served. However, for a minority, adverse physical and mental health outcomes can be substantial and can be compounded by other factors – such as financial and welfare problems. Key health issues facing the veteran population relate to common mental health problems (but also include Post traumatic Stress Disorder (PTSD)) and substance misuse – including excess alcohol consumption and to a much lesser extent - use of illegal drugs. In addition, time in the Services has been identified to be associated with musculoskeletal disorders for some veterans.

Research suggests that most people ‘do not suffer with mental health difficulties even after serving in highly challenging environments. However, some veterans face serious mental health issues. The most common problems experienced by veterans (and by the general population) are:

- depression
- anxiety
- alcohol abuse (13%)

Probable PTSD affects about 4% of veterans. Each year, about 0.1% of all regular service leavers are discharged for mental health reasons. Each Health Board in Wales has appointed an experienced clinician as a Veteran Therapist (VT) with an interest or experience of military (mental) health problems. The VT will accept referrals from health care staff, GPs, veteran charities, and self-referrals from ex-service personnel. The service in ABUHB is based in Pontypool. The primary aim of Veterans’ NHS Wales is to improve the mental health and well-being of veterans with a service-related mental health problem. The secondary aim is to achieve this through the development of sustainable, accessible, and effective services that meet the needs of veterans with mental health and well-being difficulties who live in Wales.

A Welsh Government report from 2014 ‘Improving Access to Substance Misuse Treatment for Veterans’ identified that Substance Misuse Area Planning Boards lead on local collaborative planning, commissioning, and delivery for services to ensure that the needs of veterans are met. A 2011 report from Public Health Wales on ‘Veterans’ health care needs assessment of specialist rehabilitation services in Wales’ identified a range of recommendations to support veterans with respect to their physical health and disability with regards to specialist rehabilitation service provision.

The Strategy for Our Veterans (MOD, 2018) has a 10-year scope to 2028. The strategy addresses the immediate needs of older Veterans as well as setting the right conditions for society to empower and support the newer generation.

The key themes that emerged as affecting Veterans lives were:

- Community, relationships and integrating into their community.
- Employment, education, and skills to continue to enhance their careers through their working lives.
- Finance and debt. Veterans have sufficient financial education, awareness, and skills to be financially self-supporting and resilient.
- Health and Wellbeing. All veterans enjoy a state of positive physical and mental health and wellbeing, enabling them to wider aspects of society.
- Making a home in civilian society. Veteran have a secure place to live either through buying, renting or social housing.
- Veterans and the law. They leave the Armed Forces with the resilience and awareness to remain law abiding civilians.

During the pandemic there were challenges of loneliness and isolation in Veterans with Welsh Government funding provided to address this issue.

There are a range of services across Gwent to support Veterans and The Armed Forces Covenant has been recognised in Law from December 2021, meaning that Housing, Education and Health services will have to pay 'due regard' when implementing policies.

Gypsy Travellers

- Blaenau Gwent 72 (0.10%)
- Caerphilly 31 (0.02%)
- Monmouthshire 6 (0.01%)
- Newport 84 (0.06%)
- Torfaen 155 (0.17%)
- Wales 2785 (0.09%)

The 2011 Census showed the following people identified as Gypsy/Traveller or Irish Traveller (this excludes Roma). However, it is likely that many households would not have completed the census – both because they were living on 'unauthorised sites' or encampments and as such did not appear on official records or because of a mistrust of the purpose of the census. Where people did receive forms, potential lower than average literacy levels may have meant that some households would not have completed them, and where they were completed some households would have chosen not to identify as Gypsies/Travellers or Irish Travellers. The largest Gypsy & Traveller (G&T) population is in Torfaen, however Nantyglo in Blaenau-Gwent also has a large population, many now living in 'bricks and mortar' in close proximity to a long established site. Newport also has a significant G&T population in unofficial sites around the periphery of the city centre and Newport is very often the unofficial unauthorised site for travellers in transit heading east/west from Ireland to England.

The Gypsy, Roma and Traveller people have the worst outcomes of any ethnic group across a huge range of areas including education, health, employment, criminal justice and hate crime (House of Commons 2019). It has been found that:

- Infant mortality rates are up to five times higher among this minority group when compared to the national rate.
- The immunisation rates among Travellers children are low compared with the rest of the population. Some suggest that GPs are reluctant to register Travellers as they are of no fixed abode, meaning they cannot be counted towards targets and therefore remuneration.
- There is a high accident rate among the Traveller and Gypsy population, which is directly related to the hazardous conditions on many Traveller sites – particularly as sites are often close to motorways or major roads, refuse tips, sewage work, railways or industrialized areas. Health and safety standards are often poor.
- Travellers have lower levels of breastfeeding.
- There is also a higher prevalence of many medical conditions when compared to the general population, including miscarriage rate, respiratory problems, arthritis, cardiovascular disease, depression and maternal death rates.
- Alcohol consumption is often used as a coping strategy, and drug use among Traveller young people is widely reported and feared by Traveller elders.
- Cultural beliefs include considering that health problems (particularly those perceived as shameful, such as poor mental health or substance misuse) should be dealt with by household members or kept within the extended family unit
- Travellers also face challenges in accessing services either due to the location of the sites (or due to transient nature of being in an area). Not having access to transport (particularly related to women who often cannot drive) to reach services is another reason for low use of services as well as low levels of health literacy of what services they are entitled to use or how to access them.

Generally the communities have low expectations in regard to their health and life expectancy. Studies have repeatedly shown that Travellers often live in extremely unhealthy conditions, while at the same time using health services much less often than the rest of the population.

Black And Minority Ethnic (BAME) groups

The 2011 Census shows the following percentages classed as BAME populations in each local authority compared to Wales

- Blaenau Gwent 1.5%
- Caerphilly 1.6%
- Monmouthshire 1.9%
- Newport 10.1%
- Torfaen 2.0%
- Wales 4.4%

Public Health Wales have found that ethnicity is an important issue because, as well as having specific needs relating to language and culture, persons from ethnic minority backgrounds are more likely to come from low income families, suffer poorer living conditions and gain

lower levels of educational qualifications. In addition, certain ethnic groups have higher rates of some health conditions. For example, South Asian and Caribbean-descended populations have a substantially higher risk of diabetes; Bangladeshi-descended populations are more likely to avoid alcohol but to smoke and sickle cell anaemia is an inherited blood disorder, which mainly affects people of African or Caribbean origin. Raising the Standard: Race Equality Action Plan for Adult Mental Health Services aims to promote race equality in the design and delivery of mental health services in order to reduce the health inequalities experienced by some ethnic groups. People don't always access support that is available as they are often unaware the support exists or it doesn't meet their needs. Language barriers can also cause difficulties for engagement and supporting people. Raising awareness of services and support within BAME communities is crucial to improve uptake of support. It has also been highlighted that although costly, the information needs to be accessible within areas of the community and also accessible in different formats and languages.

It is clear is that coronavirus has had an adverse and disproportionate impact on people from BME communities. A Government enquiry took place to identify why people from BME backgrounds appear to be disproportionately affected and further work is needed to ensure we can improve health outcomes.

Asylum Seekers, Refugees & Migrants

Until 2001, relatively low numbers of asylum seekers and refugees decided to settle in Wales compared to some parts of the UK. The numbers of asylum seekers and refugees increased when Wales became a dispersal area. The number of asylum applications in 2016 has seen an increase of 8% compared to the year before. Service provision to refugees and people seeking asylum by non-government organisations (NGOs) has decreased significantly in recent years. This has an adverse impact on people's health and Well-being. No recourse to public funds and safeguarding issues such as honour based violence and trafficking are key emerging themes for service providers. For service users the lack of, or limited access to information and tenancy support appear to be the key emerging themes. Various reports acknowledge that data collection systems for the number of migrants have weaknesses, which puts limitations on their reliability. There is no agreed definition for 'migrants' which further exacerbates reliable data collection.

The 2011 census found that the top ten countries of origin of people born outside the UK, in order of highest numbers first were: Pakistan, India, Bangladesh, Poland, Philippines, Germany, South Africa, Nigeria, Italy and Zimbabwe. Feedback from Education and Social Services indicate that people from Roma background have very specific needs in addition to those of the general new-migrant population. Good communication with migrants is essential. Determining the language and suitability of format (e.g. written, audio, face to face, telephone) and support available, such as advocacy and interpretation are critical elements to ensure effective communication. This will in turn benefit budgets and customer care as it contributes to determining the appropriate service. In addition, other issues highlighted for both migrants and asylum seekers include the need for more advocacy and floating support for migrants, lack of a strategic approach to information and service provision for new migrants and lack of coordination between services for migrants, asylum seekers and refugees.

Lesbian Gay Bisexual Transgender (LGBT +) community

The public health white paper 'Healthy Lives, Healthy People' identified poor mental health, sexually transmitted infections (STIs), problematic drug and alcohol use and smoking as the top public health issues facing the UK. All of these disproportionately affect LGBT populations:

- Illicit drug use amongst LGB people is at least 8 times higher than in the general population
- Around 25% of LGB people indicate a level of alcohol dependency
- Nearly half of LGBT individuals smoke, compared with a quarter of their heterosexual peers
- Lesbian, gay, and bisexual people are at higher risk of mental disorder, suicidal ideation, substance misuse and deliberate self-harm
- 41% of trans people reported attempting suicide compared to 1.6% of the general population

People in secure estates and their families

HMP Usk/Prescoed is situated in Monmouthshire and social care staff support inmates in line with the Act. The prisons have a combined population of 527. (MoJ, 2108) ABUHB also provide primary healthcare services to offenders in HMP Usk/Prescoed, in partnership with the National Offender Management Service (NOMS). In addition to the prison population it is likely that ex-offenders will require additional care and support to prevent needs arising, particularly those who misuse drugs and/or alcohol or have mental health problems. A recent 'Prison Health Needs Assessment in Wales' report was published by Public Health Wales and highlighted a number of key areas to address:

- Access to healthcare facilities
- Mental health and healthcare
- Substance Misuse including smoking
- Oral health
- Infections disease
- Support following release

During the pandemic we know that there were serious concerns to everyone living and working in prisons, resulting in restrictions put in place to limit the spread of the virus (HM Inspectorate of Prisons 2021) Prisoners have identified a decline in emotional, psychological and physical wellbeing at this time, due to chronic boredom and exhaustion of spending hours locked in their cells. They lacked enough day to day interaction and support from other prisoners, staff and family and friends.

Children and young people in contact with the Youth Justice System

Children and young people in contact with the youth justice system may have more health and well-being needs than other children of their age. They have often missed out on early attention to these needs. They frequently face a range of other, often entrenched, difficulties, including school exclusion, fragmented family relationships, bereavement, unstable living conditions, and poor or harmful parenting that might be linked to parental poverty, substance misuse and mental health problems. Many of the children and young people in contact with

the youth justice system in Gwent may also be known to children's social care and be among those children and young people who are not in education, employment, or training. For vulnerable children and young people, including those in contact with the youth justice system, well-being is about strengthening the protective factors in their life and improving their resilience to the risk factors and setbacks that feature so largely and are likely to have a continuing adverse impact on their long-term development. Well-being is also about children feeling secure about their personal identity and culture. Due attention to their health and well-being needs should help reduce health inequalities and reduce the risk of re-offending by young people. Across the region the Youth Offending Service (YOS) & partners are:

- Developing a health pathway in partnership with ABUHB for young people involved/in contact with the youth justice system.
- Testing the Youth Justice Board (YJB) Enhanced Case Management - a therapeutic approach towards addressing a child's offending behaviour
- Identifying, screening, and responding to Speech, Language & Communication Needs (SLCN) via the provision of a dedicated Gwent YOS Speech & Language Therapist.
- Commissioning a Substance Misuse Service for Children and Young People within Gwent.

(1) CHILDREN AND YOUNG PEOPLE

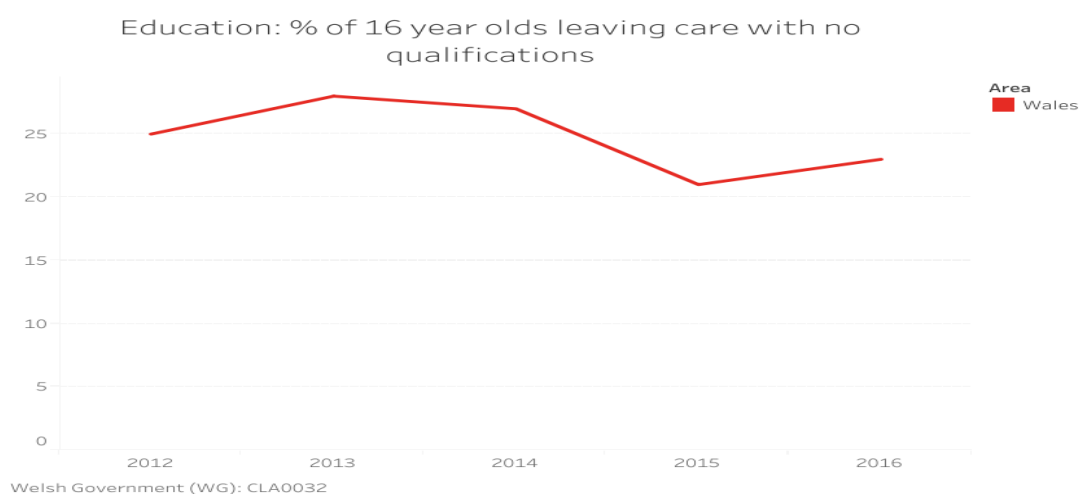
Key themes

- Children with Complex Needs, including seamless transition of care and support needs, for example between Childrens Continuing Care and Continuing NHS Healthcare.
- Safe accommodation for children with complex, high end emotional and behavioural needs. This is a new Welsh Government priority for 2021-22 and aims to both prevent individuals being unnecessarily escalated to, and facilitate de-escalation from, secure or inpatient care.
- Looked After Children and the increasing numbers going into care/adoption (Local Authorities have a specific duty under Section 75 of the Act to ensure they have sufficient accommodation to meet the needs of looked after children).

Policy Areas

- Amendments to Part 9 of the SSWB Act including revisions to the definition of Children and Young People (CYP) with complex needs to include children and young people: with disabilities and/or illness, care experienced, in need of care and support, at risk of becoming looked after, and those with emotional and behavioural needs.
- Children’s Commissioner for Wales ‘No Wrong Door’ recommendations and annual reports.
- Together for Children and Younger People
- National Commissioning Board guidance for Integrated Commissioning of Services for Families, Children and Young People with Complex Needs.
- The NEST (Nurturing, Empowering, Safe, Trusted) Early Help and Enhanced Support National Framework
- United Nations Convention on the Rights of the Child

(1.1) Percentage of 16-year-olds leaving care with no qualifications

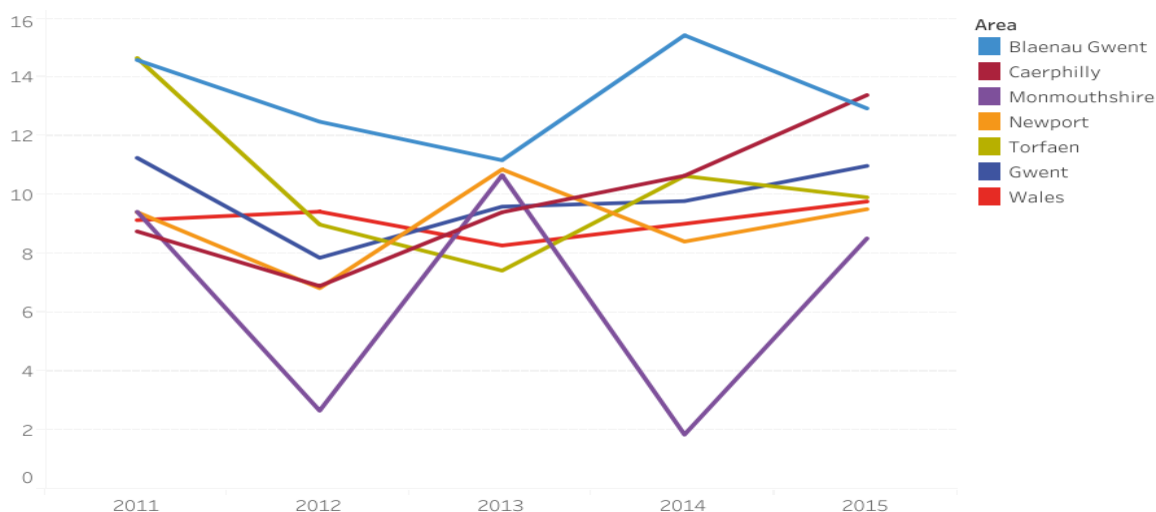


Care leavers will face a large number of personal and emotional challenges when family relationships breakdown and understandably education and aspirations will be affected. Attitudes to school, authority and adults will be indifferent and if a young person feels that

they have been 'given up on' it will be very easy said young person to give up on their selves. Schools will closely monitor the number of CLA and treat as vulnerable learners to ensure additional support and understanding are afforded to CLA. The availability of data is not consistent across the region, but the national data is stark with between 1 in 4 to 5 CLA leaving with no qualification which should not be accepted for any group of young people. The RPB includes statutory membership from education colleagues to ensure issues can be discussed and raised as well as planning actions across multi-agency partners and accessing preventative and transformation funding opportunities. Covid-19 has affected schooling for all young people and education achievements and accessing further education with additional emotional support and housing solutions will remain a priority.

(1.2) Looked after Children with 3 or more placements

Looked after children: SCC/004 - Looked after children with 3 or more placements (%)

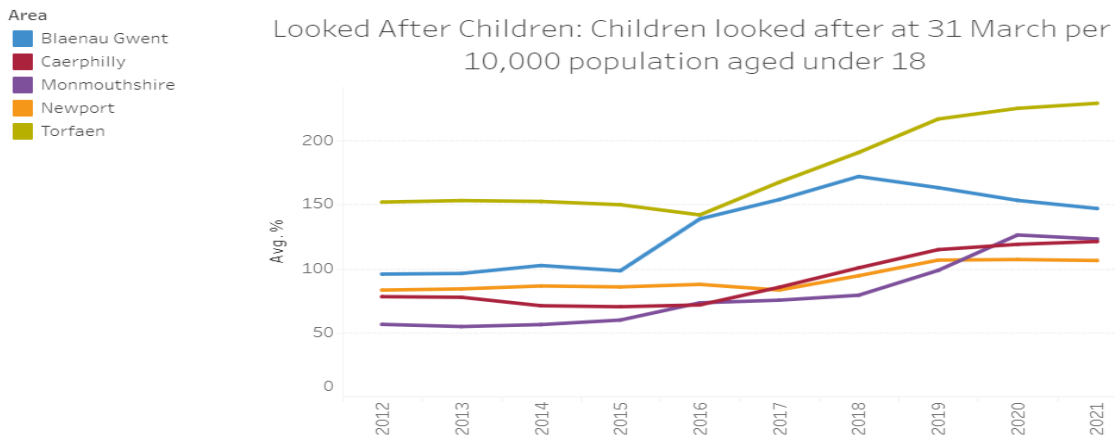


Welsh Government (WG): SCC004

Stability for CLA is key to supporting young people to develop positive relationships, trust, emotional wellbeing and access to education. A change of circumstances can often be unsettling and lead to lack of trust in support organisations as well disengagement, with comments from young people that 'people have given up on them'. A safe, stable home environment is a priority for any young person but especially CLA and even though the numbers seem relatively low, we know outcomes will be affected with increased number of placements. Partner and third sector organisations prioritise the need for remedial actions to avoid placement breakdown, with respite for carers and children a solution to help secure long-term placements. National Youth Advocacy Service (NYAS) offer an independent advocacy service for CLA to ensure the voice and views of young people are heard and greater support and working with third sector partners is key to partnership working through RPB. Covid-19 has affected the face-to-face opportunities for advocacy, but online sessions have been facilitated.

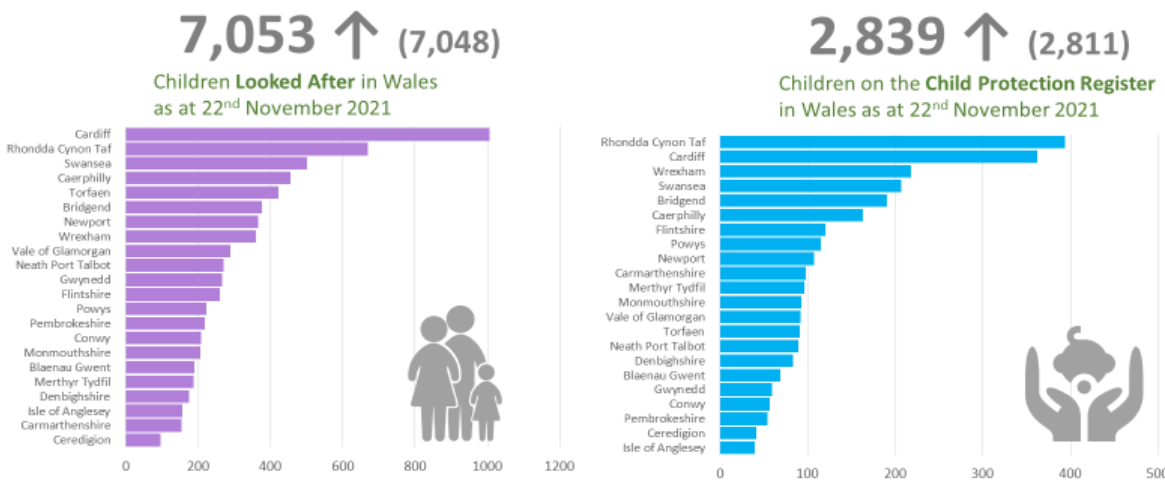
Gwent Population Needs Assessment

(1.3) Rate of Children Looked After per 10,000 population



The number of Children Looked After (CLA) and percentage 10,000 still remains high across all local authority areas. We know that CLA face some of the most complex and challenging of circumstances amongst their peers and Welsh Government has prioritised support at a local and regional level through Integrated Care Funding guidance and legislation. Multi-agency partnership approaches under the RPB have been established such as MYST project and SPACE Wellbeing Panels. However, there have been large costs for emergency and out of county placements incurred across the region which has led to the development of capital projects in Gwent such as Windmill Farm, through ICF capital funding, where savings can be redistributed into preventative programmes. The impact of covid-19 pandemic will have exacerbated circumstances for CLA, and support and prevention will still remain a priority going forward especially the need to develop services and provision that mean young peoples' care and support needs can be met close to home

Children's Social Care - Safeguarding



*One authority was unable to provide data due to issues following WCCIS upgrade

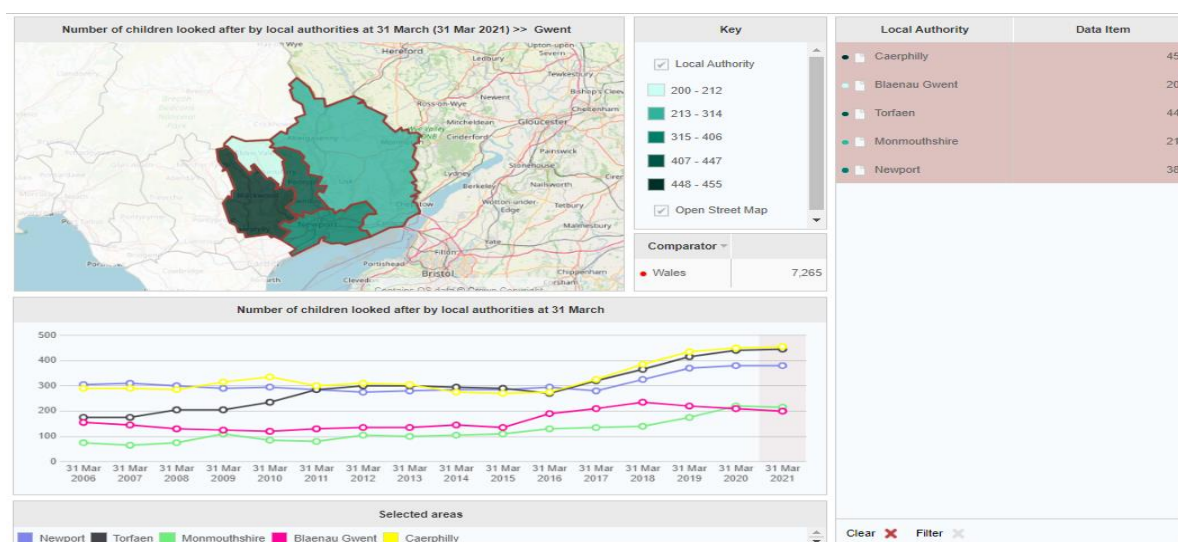
↑↓↔ denotes change from previous week (previous week's figures) Source: Local Authority Covid-19 Data Collections – 24 November 2021

Gwent Population Needs Assessment

There are additional data graphs relating to young people in the Social Wellbeing section (Baby and children's health and development) of the Wellbeing Assessment including

1. % of low birthweight live single births
2. Teenage conceptions
3. Breastfeeding
4. Flying Start children reaching or exceeding developmental milestones
5. Healthy weight and obesity
6. Immunisations
7. Oral health
8. Adverse Childhood Experiences

In addition to the data included in the Wellbeing Assessment there are a number of national data portals outlining need across the region including Social Care Wales Data Portal [Home - Social Care Wales Data Observatory \(socialcaredata.wales\)](#) and below is the data relating to Children Looked After. This PNA will not duplicate the information but reference where necessary.



Emerging Themes, Future trends, and challenges

The most recent Welsh Government data (as of 31 March 2020) shows that there are 16,580 children who receive care and support from children's services across 22 local authorities. Of those children being supported, 7,180 are looked after. Of those children, 17% live with their families or with other family members through kinship care arrangements, 70% live with foster carers, 8% live in residential care, 3% of children are placed for adoption and 2% of older children live independently with support. Welsh Government have prioritized the need for safe accommodation for children with complex, high end emotional and behavioural needs. This is a new Welsh Government priority for 2021-22 and aims to both prevent individuals being unnecessarily escalated to, and facilitate de-escalation from, secure or inpatient care.

Emerging Priorities

- 1. To improve outcomes for children and young people with complex needs through earlier intervention, community based support and placements closer to home.**
- 2. To ensure good mental health and emotional well-being for children young people through effective partnership working especially mitigating long term impact of Covid-19 pandemic.**

(2) OLDER PEOPLE INCLUDING DEMENTIA

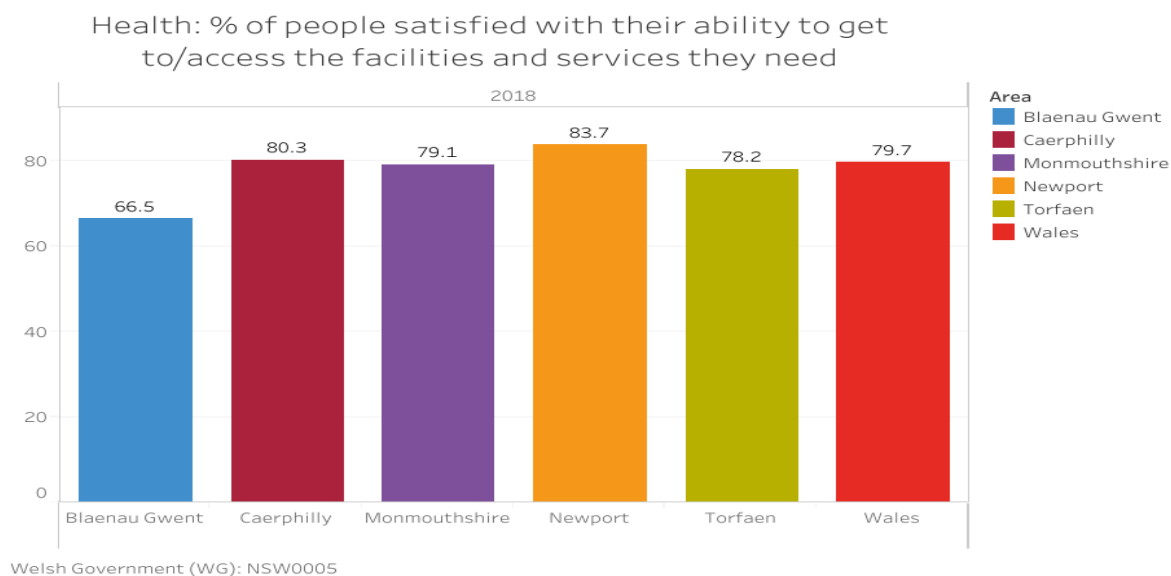
Key Themes

- Improve emotional wellbeing for older people to reduce loneliness and isolation with early intervention
- Improve life outcomes for people living with dementia and their carers.
- Protect the rights for older people as enshrined in the United Nation’s Principles for Older Persons, and the SSWB 2014 Act.

Policy Areas

- United Nation’s Principles for Older Persons, and the SSWB 2014 Act
- Dementia Action Plan 2018-2022
- Older People’s Commissioner ‘Making Wales the best place in the world to grow older: Strategy 2019-22
- Strategy for Older People in Wales: Living Longer, Ageing Well. (2013 -2023)

(2.1) Percentage of people satisfied with their ability to get to/access the facilities and services they need

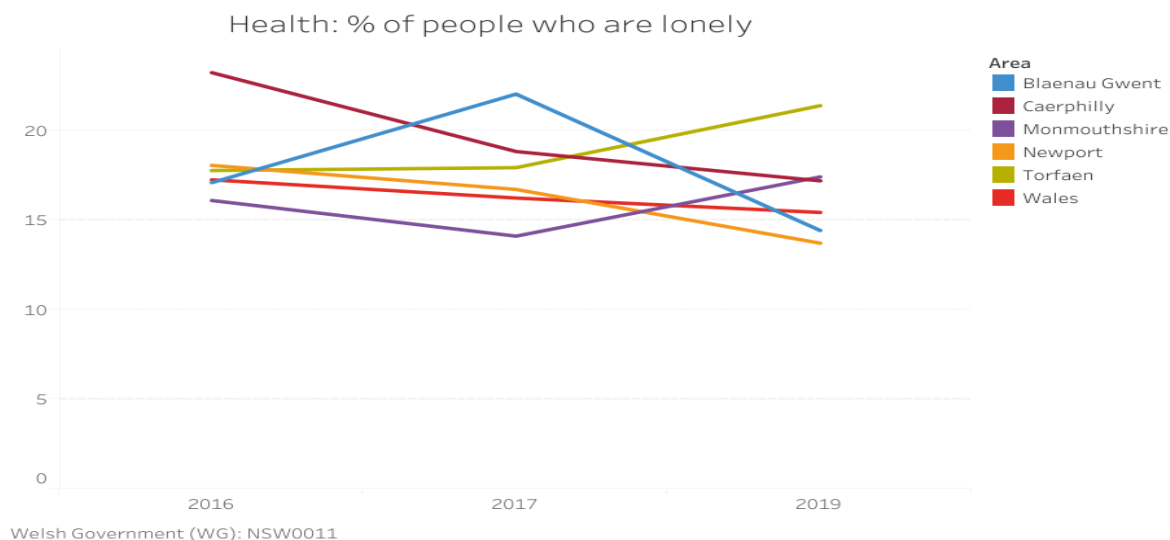


A large percentage of people are generally satisfied with access to facilities across the region. This percentage is within the Wales average for Monmouthshire despite the rurality and access to bus services. This data is from 2018 and Blaenau Gwent figure is quite low in comparison to other local authorities, however since 2018 ABUHB have committed to building a new Health & Wellbeing Centre in Tredegar which was built on the former site of Tredegar General Hospital and Brynmawr Medical Practice has been built to improve access to services. There has been a big shift to digital technologies through the recent Covid-19 pandemic and recognition that a number of people would not have accessed services during lockdown and

Gwent Population Needs Assessment

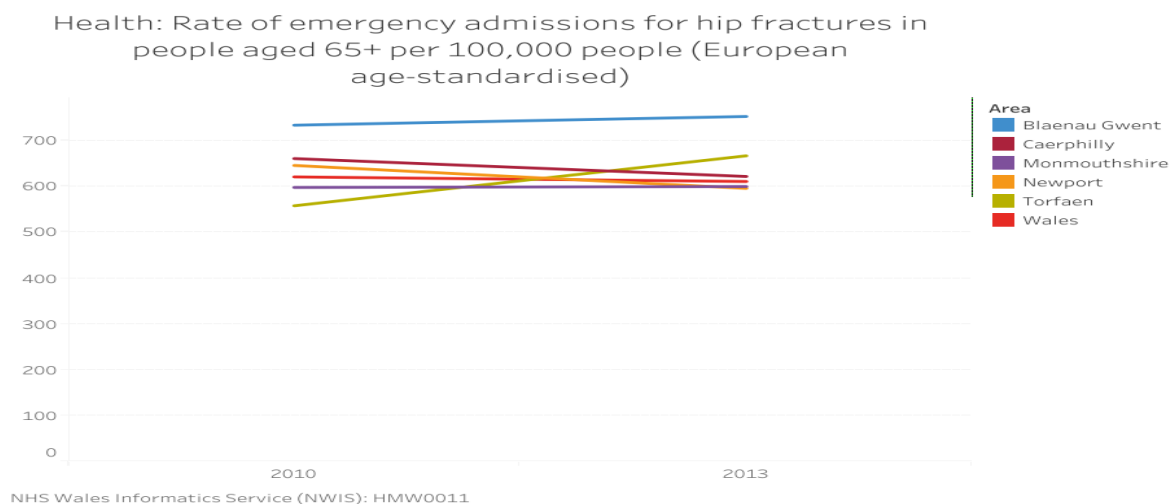
therefore the RPB will still need to ensure an equitable access to services across the region, especially for older people who may not be confident with the use of technologies.

(2.2) Percentage of people who are lonely



We recognise that loneliness is an issue across all local authority areas and highlighted in the previous PNA; and this will have been exacerbated recently through the Covid-19 pandemic where a number of vulnerable people will have been shielding. The data varies across the region but is generally high and between 15-20% (1 in 5 people) which is a considerable number of people susceptible to poor emotional and mental health and deterioration in physical help. Loneliness may be perceived as an older person's issue – recognised by Older People's Commissioner for Wales – but given that the percentage is approximately 20% it is likely that younger people will be affected too, especially given virtual working arrangements. Solutions are generally low cost/no cost and important for RPB to promote networks, access to information and local groups, particularly through Dewis portal.

(2.3) Rate of emergency admissions for hip fractures in people aged 65 plus per 100,000 people



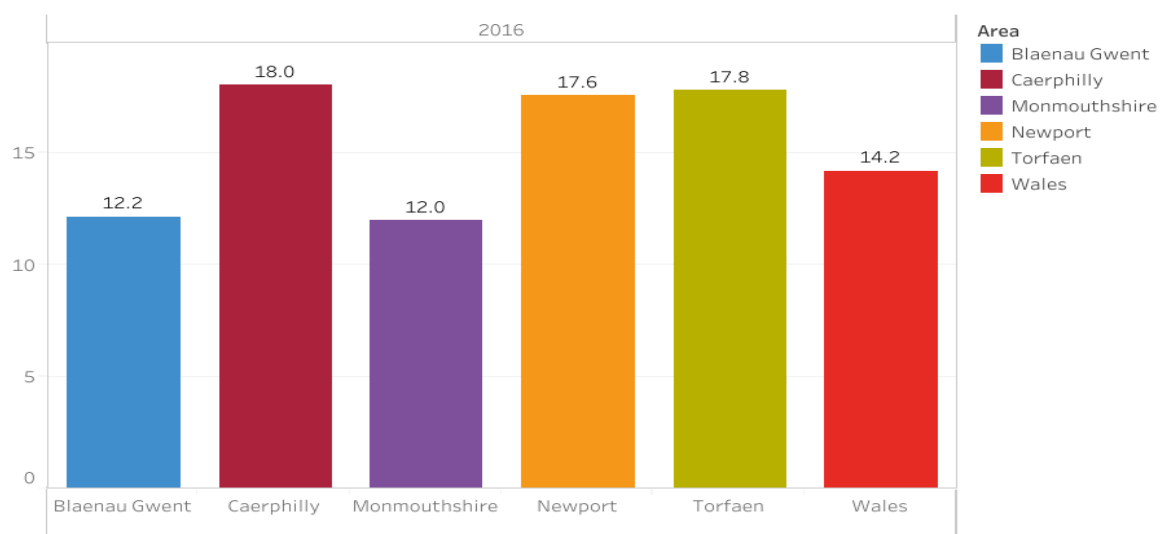
It is widely accepted that falls amongst older people are one of the biggest factors in hospital admissions and calls for ambulance assistance. Hip fractures data can be inferred and indicate level of falls amongst older people and subsequently hospital admissions.

1 in 3 people aged 65+ (over 3 million) fall in the UK every year and 1.2 million people are treated in Accident and Emergency Departments (A&E) after a fall, costing the NHS £1.6 billion each year (CSP, 2015; Tinetti, 1988). The Economic Model for Falls Prevention (CSP, 2016) suggests that mild falls (those that don't require any additional treatment on discharge from A&E) represent 47.2% of the total number of falls. Falls account for approximately 10% of 999 emergency calls received via the Welsh Ambulance Service NHS Trust (WAST) across Wales (WAST, 2016). There has been an emphasis on preventing falls and dedicated studies, roles and services within the ABUHB as well as wider public information and awareness. Gwent Frailty is a multi-disciplinary service within the Primary Care and Community Services Division in Aneurin Bevan University Health Board, centred on providing patients with care and/or treatment closer to home and promoting patient independence; and falls prevention is a core function of the service.

We have seen recently during the pandemic and during the winter periods the impact on WAST and hospitals, falls can have and along with progressed dementia, the predominant factor in 999 calls for ambulances. The data included is a conservative indication of falls given that not all older people will require surgery after an accident. However, the data when totalled is approximately 3000 people during 2013 and will not simply reflect hospital admissions but also the large number of rehabilitation services required and subsequent impact on independent living. Given the impact on health and social care, falls prevention will still remain a priority for RPB consideration.

[\(2.4\) Percentage of people who called for an ambulance in the last 12 months](#)

Health: % of people who called for an ambulance in the last 12 months

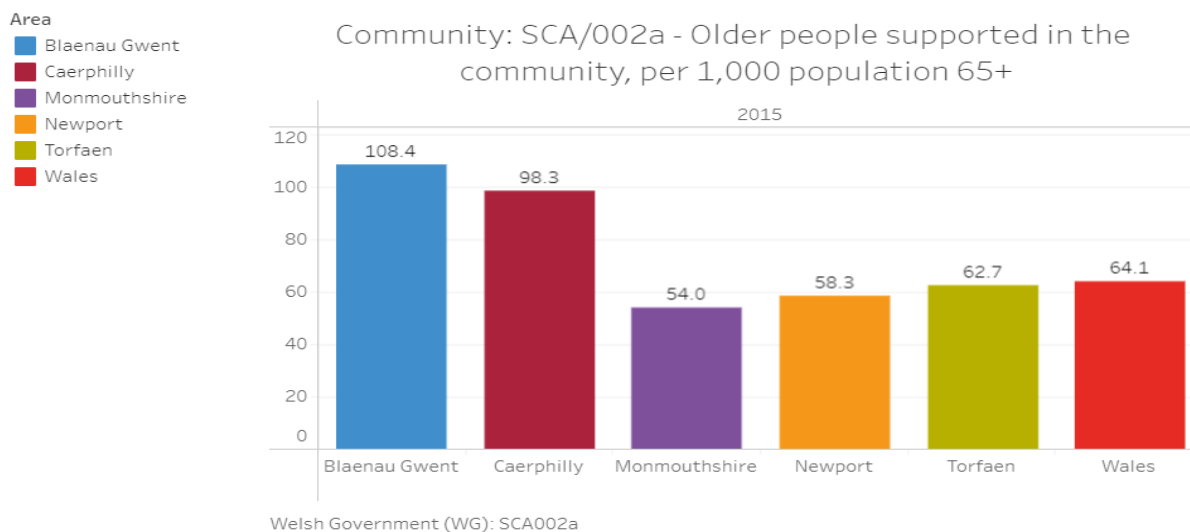


Welsh Government (WG): NSW0037

Gwent Population Needs Assessment

The data can highlight the acute needs of some local authority areas when compared to the rest of Wales. The 3 areas higher than Wales average are valley communities and could point to wider health detriments in those areas.

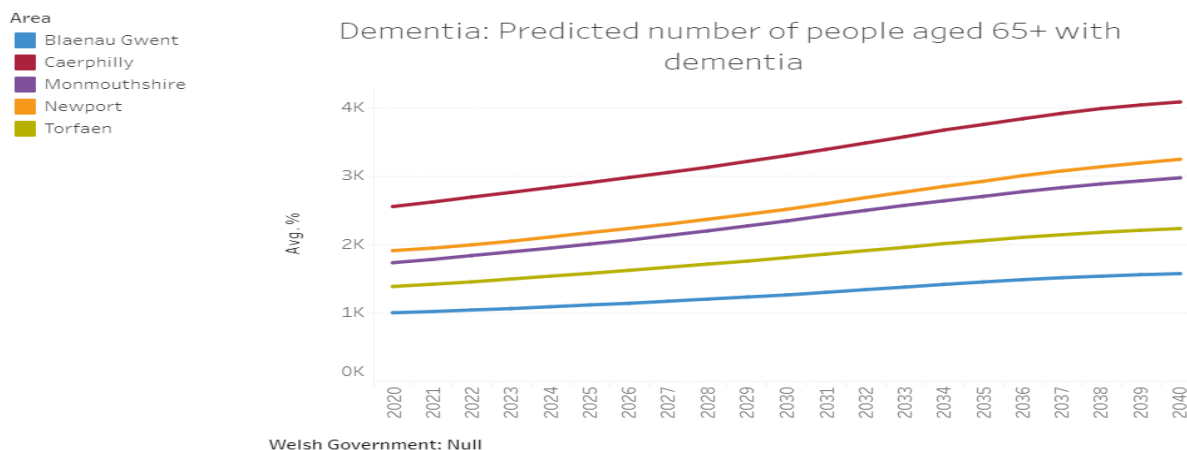
(2.5) Older people supported in the community, per 1,000 population 65+



Remaining at home is at the heart of many peoples view of being independent. People have told us they would like help and support to move around and maintain their own home, go out as they please and not have to depend too much on others. We also know that many older people with long term health conditions are caring for a family member, friend or neighbour and need to be supported to continue to do so. These unpaid carers contribute significantly to the Gwent economy and potential health and social care costs.

Older people need good, timely and accurate information to be able to understand what support is available to them and this can be important to maintaining independence. This also needs to be provided in a range of ways so people can access it. Small things can be quite significant – such as size and type of fonts in leaflets or background colours to aid readability. Information is now often provided digitally and so access to online information for older people is dependent on skills and resources. Greater consideration should be given to supporting older people to develop the necessary skills and confidence to access information online. Public access areas such as GP Surgeries, public transport and community libraries can act as access points for information but in some areas of Wales these are underutilised and overlooked. We have valuable community library resources across Gwent which provide information, advice, and guidance for both older people and those living with dementia.

(2.6) Predicted number of people with dementia 65 plus

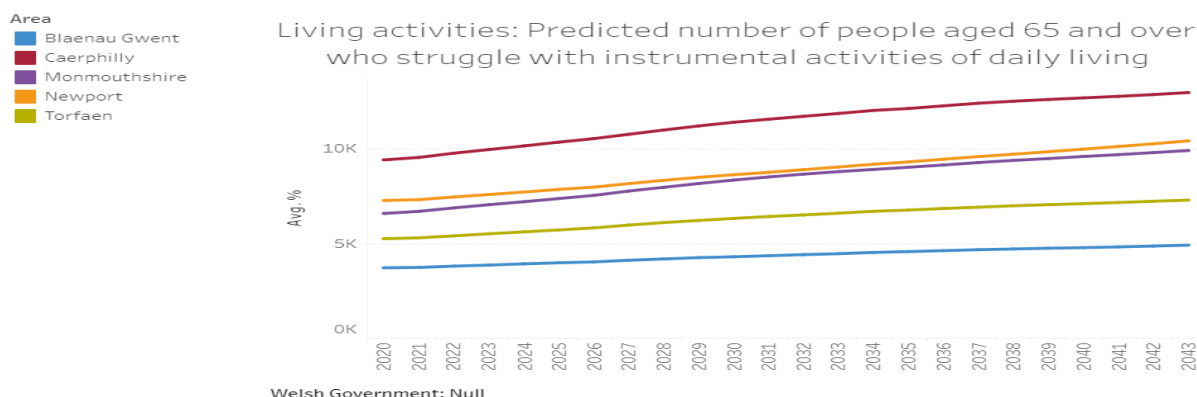


Approximately 42,000 people are living with dementia in Wales, and it is most common in older people, affecting 1 in 20 people over the age of 65 and 1 in 5 over the age of 80. It is predicted that 1 million people in the UK will have dementia by 2025 and this could increase to 2 million by 2050 (Alzheimer’s Research UK). Above figures are from 'Dementia UK: A report into the prevalence and cost of dementia' prepared by the Personal Social Services Research Unit (PSSRU) at the London School of Economics and the Institute of Psychiatry at King's College London, for the Alzheimer's Society, 2007. The prevalence rates have been applied to population projections of the 65 or older population to give estimated numbers of people predicted to have dementia, to 2035.

Across all local authority areas in the Gwent region, an increase in the number of people living with dementia is predicted. The increases range from 62.1% in Blaenau Gwent to 97.1% in Monmouthshire over the period 2013 to 2035. The RPB are working to support more timely diagnosis and are developing a consistent clearly understood diagnosis, care and support pathway which incorporates standards of care and outcome measures. Living with dementia can have a big emotional, social, and psychological impact on a person, their families, and carers. This can affect the relationships a person has with their environment and the support that they receive. It is important to people living with dementia that people develop awareness and understanding of the condition so they can be supported to maintain quality of life. As an RPB we provide development and learning opportunities jointly with our key partners to the workforce and communities to raise awareness, understanding and highlight risk factors and preventative measures. We also work with partners and continue to develop and build on the strengths of our Dementia Friendly Communities, working in collaboration of Age Friendly Community groups.

We are aware of the impact of the pandemic on people living with dementia and professionals within health and social care have been working hard to support people through assistive technology, online support and telephone calls where face to face visits could not be provided. We have also been supporting people living with dementia their family and carers through the Get There Together National project, working with partners to create a series of films aimed to reduce concerns and reassure anyone who is anxious about getting beyond the front door as well as dealing with the stresses of Covid-19.

(2.7) Predicted number of people unable 1 task 65 plus



Healthy life expectancy is increasing over time, which is positive, however when the time comes where the oldest population develop care and support needs, those needs are more intensive and expensive as people live longer. People over the age of 65 are more likely to need extra support to remain independent in their own homes and across all local authorities in Gwent it is predicted there will be an increase in people unable to manage at least one domestic task on their own.

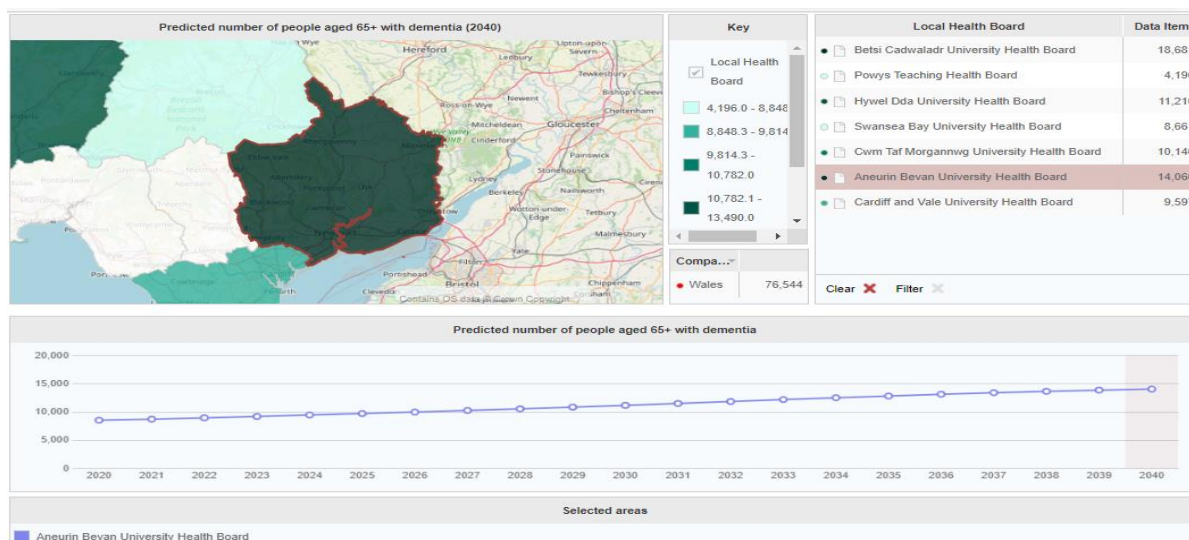
Predicted number of people aged 65 or over that will be unable to manage at least one domestic task on their own (household shopping, wash and dry dishes, clean windows inside, jobs involving climbing, use a vacuum cleaner, wash clothing by hand, open screw tops, deal with personal affairs, do practical activities). Figures are taken from *Living in Britain; Results from the 2001 General Household Survey, Supplementary report: People aged 65 and over, table 37, ONS*. The predicted increases range is from 44.9% in Blaenau Gwent to 71.6% in Monmouthshire. As an RPB we have a range multi-disciplinary reablement and care services in place to provide long and short-term support to help people live independently in their own homes. We also have been using grant funding from the Integrated Care Fund to promote digital and mobile assistive technology solutions to support the prevention of falls.

There are additional data graphs relating to adults in the Social Wellbeing section of the Wellbeing Assessment including

1. Life expectancy and health inequalities
 2. Cancer registrations
 3. Deaths due to cancer
 4. Deaths due to cardiovascular disease
 5. Delayed transfers of care
- Healthy lifestyles including
6. Physical activity
 7. Healthy diet
 8. Alcohol
 9. Smoking
 10. Individuals who are overweight or obese
 11. Overweight/obesity
 12. Diabetes

Gwent Population Needs Assessment

In addition to the data included in the Wellbeing Assessment there are a number of national data portals outlining need across the region including Social Care Wales Data Portal [Home - Social Care Wales Data Observatory \(socialcaredata.wales\)](#) below is information relating to number of people predicted to be living with dementia. This PNA will not duplicate the information but reference where necessary.



Emerging Themes, Future trends, and challenges

Wales has an ageing population and many people stay healthy, independent, and well into old age, however as people age, they are more likely to live with complex co-morbidities, frailty, and disability. By 2030 it is projected that there will be over 1,008,000 older people in Wales (33% of the population) (ONS 2017/2018). Older people have lots of skills, knowledge, and experience to contribute to society and are a valuable resource to us in Gwent, with many volunteering and sharing their skills in communities. A whole system approach is needed between health and social care and other partners to help people remain independent and as healthy as possible so they can continue to live at home.

What people have told us

Remaining at home is at the heart of many peoples view of being independent. People have told us they would like help and support to move around and maintain their own home, go out as they please and not have to depend too much on others. We also know that many older people with long term health conditions are caring for a family member, friend or neighbour and need to be supported to continue to do so. These unpaid carers contribute significantly to the Gwent economy and potential health and social care costs.

"I want to remain in my own home for as long as I can. It's where all my memories are".

"I am scared of being in contact with people as don't want to get covid, but I am also isolated so feel really down. It's confusing!"

What are the gaps in understanding of well-being?

The number of older people with unmet care and support needs is increasing substantially due to challenges in the health and care system. Effective solutions are needed to address these needs including addressing delayed discharges in hospitals that can lead to worsening health outcomes and complications around care and support needs. It is clear that most people desire to cope with their illnesses and remain independent at home and care models need to reflect the needs of the person as part of their care and support.

The public health restrictions put in place to keep people safe during the pandemic, meant that older people saw big changes to their normal activities and routines. It also meant spending time apart from family, friends, volunteering roles, jobs and communities and creating loneliness and isolation. These changes have meant some people are nervous and anxious to return to normality and are unsure of what the future holds.

Connecting through digital platforms became a valuable resource to many people in Gwent so they could stay in touch with family and friends, access health services, shopping, advice, guidance, and entertainment. However digital exclusion still remains across Wales where some older people have a number of barriers to getting connected such as lack of confidence in using digital technology, financial barriers, costs of broadband services or lack of broadband due to rurality of area. Some people also said that healthcare appointment had been cancelled and they were now struggling as had to wait for health procedures and were unsure of how long they would have to wait. This will impact future waiting lists for procedures and appointments and currently the total Outpatient waitlist position is 111,239, reduced from 116,336 as at October 2021. The Inpatient waitlist is currently 17,703 and as of December 2021, the Referral to Treatment Time position is: 4818 open pathways are over 104 weeks, 22,984 over 52 weeks and 34,254 over 36 weeks.

The pandemic has also brought to light positives about life in Gwent, with communities coming together to support each other, people volunteering and responding to calls for help. There has been a wave of solidarity during this time and the commitment and dedication of our health and social care workforce during this time and continues to be incredible. Also:

- We have key assets in Gwent such as our network of unpaid carers and volunteers and a passionate multi-agency workforce. We also have a very good relationship with our independent/third sector partners and Dementia Supportive Communities.
- There are roughly four million unpaid carers (for all service user groups), of whom one quarter provide more than 50 hours a week of care, giving practical help, companionship, and general supervision. Nearly 90% of older people with dependency problems receive some informal care (some alongside formal care). There is likely to be a fall in the future supply of such carers, arising from changes in the population age structure, rising divorce rates, decline in family size, rising childlessness, growing employment among married women, changing household composition of older people, and changing preferences of older people. (SCIE)

- Volunteers also play a major part in providing social care. It has been estimated that their contribution represents the equivalent of 221,000 full-time employees, or roughly one in every five hours of formal caring. Many such volunteers are older people themselves.
- There are pressures on social care services arising from the needs and preferences of older people increasing.
- Recruitment and retention of employees is challenging for services for older people. High levels of stress and dissatisfaction are reported by staff, and although low pay is an issue, the introduction of the national minimum 4 wage should have eased recruitment. This has been exacerbated by the pandemic.

Emerging Priorities

- 1. To improve emotional well-being for older people by reducing loneliness and social isolation with earlier intervention and community resilience.**
- 2. To improve outcomes for people living with dementia and their carers**
- 3. To support older people to live, or return following a period of hospitalisation, to their own homes and communities through early intervention and integrated care models.**

(3) HEALTH / PHYSICAL DISABILITIES & SENSORY IMPAIRMENT

A person with a 'health or physical disability including sensory impairment', may have difficulty carrying out everyday activities, as their movement and senses may be limited. Sensory impairment is reduced or loss of sight, hearing, or both. Those included are the blind, partially sighted, deaf, and hard of hearing. A disability may be present from birth or occur during a person's lifetime. Health disabilities can include chronic conditions such as obesity or an individual might have had a stroke and have long term effects with movement, speech, hearing, and sight. Equipment and adaptations can help a person to live more independently and confidently at home. Prevention, early identification and providing practical and emotional support and easier accessibility to services can have a real positive impact on life outcomes.

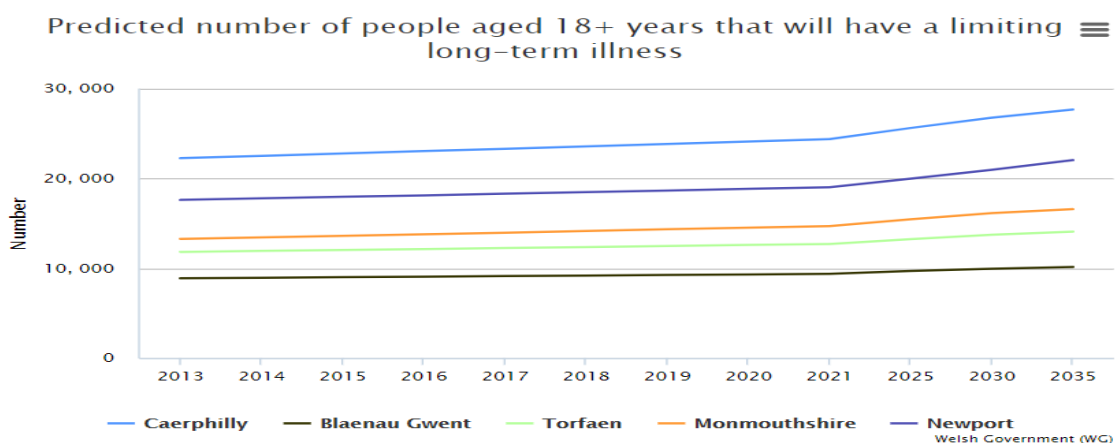
Key Themes

- Supporting disabled people through an all-age approach to live independently in appropriate accommodation
- Support access to community-based services, including transport.
- Help people reduce the risk of poor health and well-being through earlier intervention and community support.
- Ensure people are supported through access to accurate, timely information and assistance and 'rehabilitation' where required.
- Improve emotional well-being particularly through peer-to-peer support.

Policy Areas

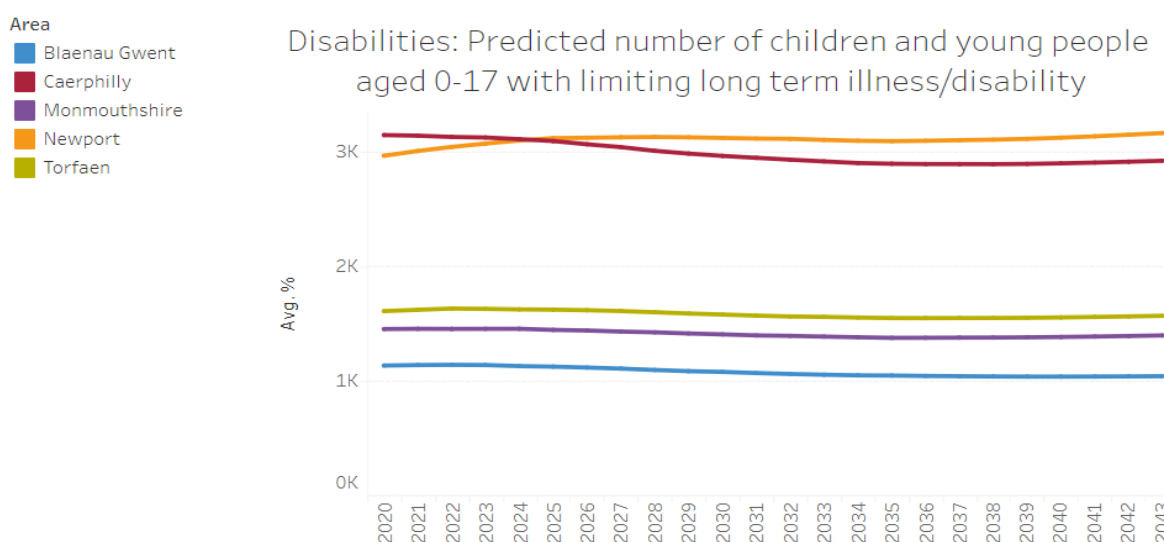
- Welsh Government's Disability Equality Forum Impact of Covid-19 on disabled people in Wales and 'Action on Disability' framework
- Wales Council of the Blind. Rehabilitation Officers for Visual Impairment, Addressing a workforce crisis in Wales
- All Wales Deaf Mental Health and Wellbeing Group. Deaf People Wales: Hidden Inequality.

(3.1) Predicted number of people aged 18+ years with a limiting long-term illness



The impact of chronic conditions on peoples lives and services in Wales is of growing concern. Wales has the highest rates of long-term limiting illness in the UK, accounting for a large proportion of unnecessary emergency hospital admissions (NHS Wales). Figures are taken from the *Welsh Health Survey 2012, table 3.11 Adults who reported having illnesses, or being limited by a health problem/disability, by age and sex*. Adults who reported having a limiting long-term illness were asked to specify the illness which was the main cause of their limitation. All local authority areas across the Gwent region are predicted to see an increase in the number. The predicted increases range from 14.1% in Blaenau Gwent to 25.1% in Newport

(3.2) Predicted number of people aged 0 - 17 that will have a disability according to Disability Discrimination Act definitions 2035

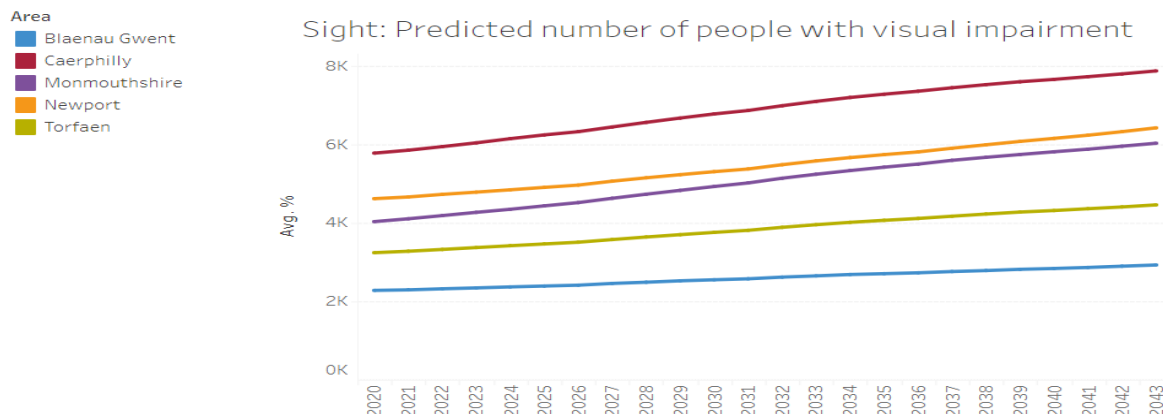


This figure is taken from the study *Prevalence of childhood disability and the characteristics and circumstances of disabled children in the UK, Blackburn et al, BMC Paediatrics 2010*. Children were defined as disabled if they met the Disability Discrimination Act criteria for a disabled person. Disability Discrimination Act definitions mean that the child has significant difficulties with any of the following areas: mobility, lifting/carrying, manual dexterity, continence, communication (speech, hearing, eyesight), memory/ability to concentrate or understand, recognise if in physical danger, physical coordination, or other problem or disability.

The number of young people living with a disability is predicted to be relatively stable over the next 10 years but will still remain significant in terms of multi-agency partnership support required to ensure outcomes. Transition arrangements between primary and secondary education is key to ensuring outcomes as well as effective planning between partners. Parents often highlight the number of different partners requesting information and the RPB has invested in an Integrated Service for Children with Additional Needs (ISCAN) to coordinate services for children and families in one place. ISCAN has been key to reducing multiple ‘hand

offs' to partners and supported parents with caring of children with disabilities especially during Covid-19 pandemic.

(3.3) Number of sight impaired people 65 plus



The above data has been taken from the registers of people with physical or sensory disabilities, data includes all persons registered under Section 29 of the National Assistance Act 1948. However, registration is voluntary, and figures may therefore be an underestimate of the numbers of people with physical or sensory disabilities. Registration of severe sight impairment is, however, a pre-condition for the receipt of certain financial benefits and the number of people in this category may therefore be more reliable than those for partial sight impairment or other disabilities. These factors alongside the uncertainties about the regularity with which local authorities review and update their records, mean that the reliability of this information is difficult to determine and so it cannot be thought of as a definitive number of people with disabilities. People with sight impairment are registered by local authorities following certification of their sight impairment by a consultant ophthalmologist. The Certificate of Vision Impairment (Wales) formally certifies someone as partially sighted or as blind (now using the preferred terminology 'sight impaired' or 'severely sight impaired', respectively) so that the local authority can register him/her. Registration is voluntary and access to various, or to some, benefits and social services is not dependent on registration. If the person is not known to social services as someone with needs arising from their visual impairment, registration also acts as a referral for a social care assessment.

The majority of local authority areas in the Gwent region have experienced a decrease however this data will need to be explored further to ascertain if this is a registration issue and if people are aware of services.

Rehabilitation Officers for Visual Impairment (ROVI) provide early intervention support, helping people to remain independent and contribute to their community. There is a concern that in some areas some people are being signposted away from this support however we don't have the full data on this. The role has been identified across Wales as needing a clear pathway for referral to address unmet need and further promotion of the role which has been taken forward in Torfaen. The RPB work closely with third sector partners and will continue to support people with sight impairment through multi-agency partnership approaches and access to new technologies.

It is estimated that there are around 2000 children and young people aged 0-19 with a visual impairment in Wales. At least 20 per cent of these will have additional disabilities and/or additional learning needs; a further 30 per cent have very complex needs (Vision2020UK: Shared statistics and key messages about sight loss 2013). Wales Council for the Blind have highlighted that *'Partnership working is the only way to provide services that will ensure that Welsh CYPVI achieve their full potential and have the skills to be ready for adult life. This can only be achieved with early intervention by the right people at the right time.'* The report can be downloaded here http://www.wcb-ccd.org.uk/wales_vision_forum.php.

Emerging Themes, Future trends, and challenges

More than **600,000** people in Wales have hearing or sight loss (NHSWales2015) with the number increasing due to demographic trends and increases in chronic health conditions, amongst other causes. The effects of living with multiple health conditions can be profound, affecting quality of life, daily activities, poor physical and mental wellbeing and finding and maintaining employment, leading to financial hardship. This can then exacerbate inequalities, with loss of income and worklessness contributing to further declines in health. There is a danger that, without action, worsening socioeconomic inequalities will further concentrate this trend among the most disadvantaged.

Disability is extremely diverse and although some people might have extensive health care needs others might not, however all people with a disability need to access mainstream healthcare services. Almost everyone is likely to experience some form of disability during their lifetime, which could be temporary or permanent, having a dramatic impact on quality of life. There have been many improvements through the years, however the UK Disability Survey (2021) identified that public perception of disabled people is still a significant barrier to participation in areas, including employment and education and unhelpful perceptions and stigma.

People living with disabilities have been disproportionately impacted by the Covid 19 pandemic. They have had potentially higher risk of catching the virus due to underlying health conditions and had difficulty in engaging in preventative measures and experienced disruptions to health services they usually rely on. People with sensory loss have found it extremely challenging as their communication needs have not been met leaving them increasingly isolated. Although health and social care have worked hard across Gwent to reach out and support people during this time, we need more specific actions going forward, to recognise the impact there has been for people with health, physical and sensory disabilities.

There is an urgent need to improve the data we collect on disability, to further improve equality for disabled people and increase emotional wellbeing within health and social care.

What are the gaps in understanding of well-being?

Adults and children with disabilities have struggled both physically and mentally throughout the pandemic with the loss of services and support during this time. Some people previously found comfort in their daily routines which were removed with cancelled appointments and lockdown of education and activities.

Some people who are blind and visually impaired felt lonely prior to the pandemic but during this challenging time they have had to face more physical and psychological barriers. Social

distancing rules have been difficult, as this cannot be observed along with directional arrows, screens etc. In community settings and trying to follow the rules has caused anxiety, stress, and exhaustion. Rehabilitation in sight loss is key in preventative approaches to support new ways to accomplish essential tasks and to introduce a range of equipment and techniques to avoid injuries and falls and mitigate or defer the need for longer term care. There is a scarcity of ROVIs which needs to be anticipated and addressed in the Gwent area to support eye conditions, orientation and mobility, independent living and communication skills. During the pandemic the ROVI in Torfaen has provided training to social care colleagues on the ROVI role and referral pathways and the benefits they bring. This has resulted in more referrals.

Visual impairment is strongly associated with falls and hip fractures. The rate of falls in older people with visual impairment is 1.7 times higher than other older people of the same age, with hip fractures 1.3 - 1.9 times higher

The new normal is for people to wear facemasks to prevent transmission of disease. As a result of this deaf and hearing-impaired people feel excluded from the world. Deaf people who rely on sign language still need facial expressions for full communication, so this has been difficult.

What people have told us

Some people feel isolated and excluded and have been struggling with mental and physical health. Some people feel there is lack of multi-agency support and they don't always know who to contact. Some people also struggle with accessibility of certain buildings, pavements and using public transport.

“I have just applied for a guide dog and am on the ‘awaiting training list’ I can’t wait to get my confidence back and be able to go out and have my independence back”.

Some people have hidden disabilities which are not visible but are just as challenging. They have faced discrimination as their disability can't be seen. There needs to be more positive attitudes towards disabled people. It is important for us to have a more inclusive future that focuses on our strengths.

- People are living longer; however future trends indicate that on average a quarter of people after age 65 will live with some form of health disability. This needs to be considered when developing service models with a particular focus on effective prevention interventions. There are estimated to be about 9 million deaf and hard of hearing adults in the UK, that is about 18% of the total population. About 640,000 of these are profoundly or severely deaf. As people grow older the changes of becoming deaf increase: 7 out of 10 people over 70 will have developed a significant hearing loss. This could have a significant impact on health and social care services.
- Sensory impairment can be a significant life limiting condition and its incidence increases with age. This means the challenges associated with the condition are likely to grow over

coming decades. People with sensory impairment have a range of care and support needs. There is a scarcity of ROVI workers who can provide the necessary assessment and delivery of interventions including a lack of adequate supervision to support the workforce which also needs addressing.

- Early identification is vital, as is prevention, support to reduce loneliness, isolation and promote mental health and well-being. Offering effective care and support is likely to reduce other risks associated with age and frailty, such as falls. A focus is needed on further development of generic and specialist services and improving the access to other services for people with a sensory impairment. This will require a multi-agency approach.
- The prevalence of physical disability is much wider than those who need or want help from social care however this could change in the future if needs increase.
- Sight loss in the UK is estimated to double over the next 40 years, which will have a significant impact on the UK's health and social care system and damage the quality of life for millions of people. (RNIB 2009)
- Hearing loss is a common health issue in the armed forces. Many veterans will have had prolonged exposure to loud noise from small arms fire, artillery, engines, and other machinery during service, causing permanent hearing damage. The Veterans Gateway website provides information, advice and support for Veterans and their families on support and services currently available.

It is important that people with sight loss are signposted to support services within their communities and the sight loss sector in Wales recognises *Perspectif* as the tool to identify these services and it is available at <http://www.wcb-ccd.org.uk/perspectif/index.php>. Sight Cymru also provide a range of services across Gwent. Another critical service is Low Vision Service Wales – provided by Optometrists or Dispensing Optometrists accredited as Low Vision Practitioners in a Primary Care setting. People accessing the Service are able to receive low vision aids to support with day-to-day activities and are also offered advice and guidance. Practitioners will also be able to signpost service users to third sector providers for further support. There are currently 41 practices that provide the Low Vision Service to patients in Gwent.

Emerging Priorities

- 1. To support disabled people through an all age approach to live independently in appropriate accommodation and access community based services, including transport.**
- 2. Ensure people are supported through access to accurate information, assistance and 'rehabilitation' where required.**
- 3. Improve transition across all age groups and support services**

(4) LEARNING DISABILITIES

There are approximately 54,000 people in Wales living with a learning disability (ONS, 2019). A learning disability affects the way a person learns new skills throughout their lifetime. This can affect communication, understanding new or complex information and coping independently. A learning disability can be mild, moderate, or severe. Some people with a mild learning disability might be able to communicate well and look after themselves independently but might need a bit longer to embrace new skills. Other people might not be able to communicate and have more complex needs, needing further support. It very much depends on the persons abilities and the level of care and support they receive.

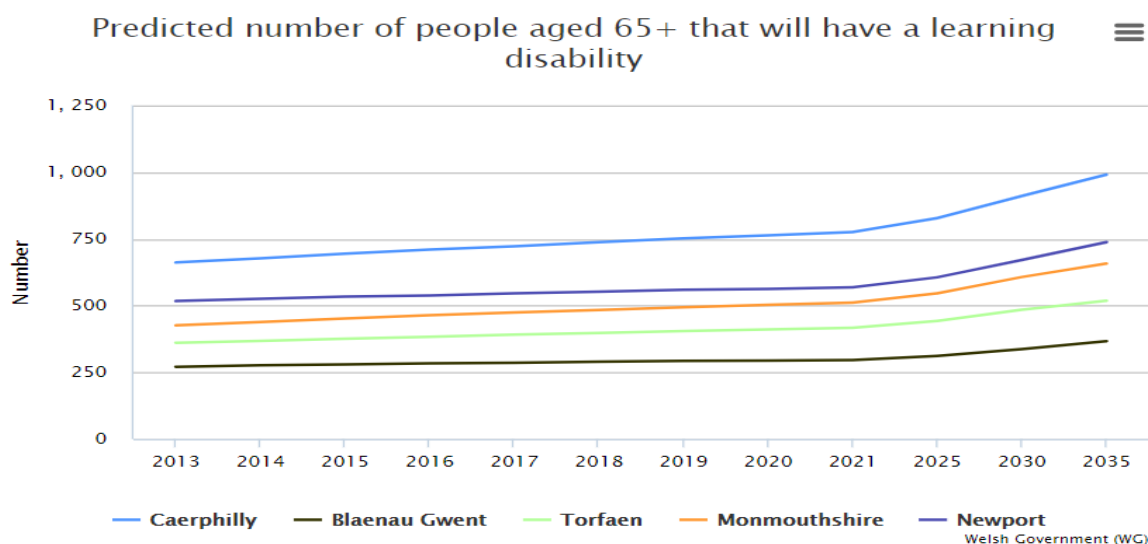
Key Themes

- Support people with learning disabilities to live independently with access to early intervention services in the community.
- Provide greater public awareness and understanding of people with learning disabilities needs.

Policy Areas

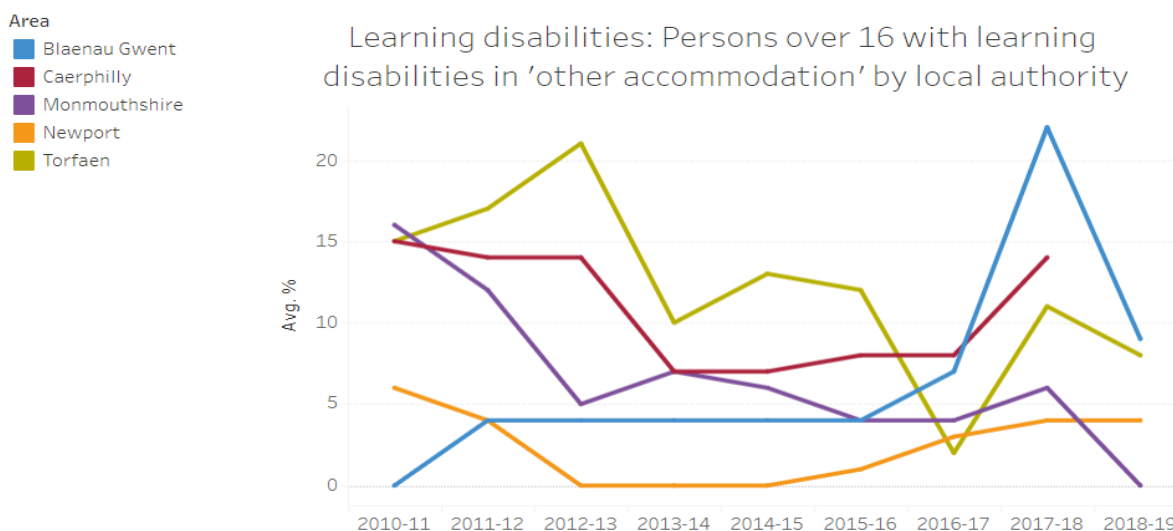
- Learning Disability Improving Lives Programme
- Children’s Commissioner Report ‘No Wrong Door’ in relation to adult services for children with learning disabilities.

(4.1) Predicted number of people 65 plus with Learning Disabilities



The data is taken from the Register of persons with learning disabilities (SSDA901). The data may be an underestimate of the total number of people with learning disabilities as registration is voluntary. Local authorities submit numbers of those identified as having a learning disability currently known to the authority and included in a register for the purpose of planning or providing services. All local authority areas across the region are predicted to see an increase in the number. The predicted increases range from 35.4% in Blaenau Gwent to 54.5% in Monmouthshire.

(4.2) Number of placements for persons aged 16 years or older with learning disabilities



Emerging Themes, Future trends, and challenges

Blaenau Gwent	Caerphilly	Monmouthshire	Newport	Torfaen
106	205	80	153	129

There are a total of 673 people with learning disabilities known to ABUHB with average life expectancy increasing over the last few decades. However, the impact of the pandemic has had a negative impact on people with a learning disability, where they have felt isolated at being separated from family and friends and daily routines disrupted. People have said that stress, anxiety, feeling isolated and changes to their normal routine has had a negative impact on mental health. Also, some people felt their health had deteriorated as they weren't as active and had put on weight due to not going out and about.

Communication and information was felt to be confusing surrounding Covid-19 which saw lots of organisations adapting the way they worked and providing more innovative ways to support people. Social media, websites and online platforms were used so people could connect and also telephone support calls as well as easy read resources so people could feel informed.

A reduction in community-based support due to restrictions has left some people feeling unsupported which has had a detrimental impact on mental health and physical wellbeing. There was also confusion over Government guidelines with people needing further advice and reassurance, which saw lots of people not wanting to visit a health professional even if this was needed. Organisations across Gwent adapted the way they worked and provided more innovative ways to support people. This was done through providing activities and services through social media, websites, and online platforms, so people could connect. Telephone check in calls were also provided by some organisations to help people stay connected, as well as easy read resources so people could keep informed.

Emerging Priorities

- 1. To support people with learning disabilities to live independently with access to early intervention services in the community; and greater public awareness and understanding of people with learning disabilities needs.**

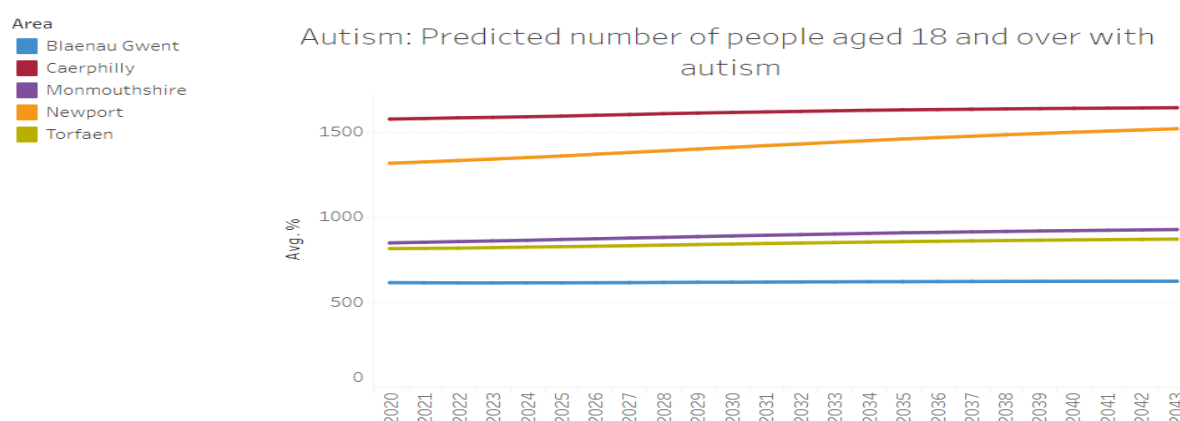
(5) AUTISM

Autism or Autism Spectrum Disorder (ASD) is a lifelong neurodevelopmental condition which affects how people communicate and interact with the world. One in 100 people are on the autistic spectrum and there are around 700,000 autistic adults and children in the UK (NAS). Each person living with autism has a distinct set of strengths and challenges and the way in which people learn with autism can range from highly skilled to severely challenged. Autism means that the way a person thinks about and experiences the world is different to most people. Autism is different for everyone and some autistic people need little or no support. Others may need help from a parent or carer on a daily basis. These figures are taken from the study Prevalence of disorders of the autism spectrum in a population cohort of children in South Thames: The Special Needs and Autism Project (SNAP), Baird et al, the Lancet, 2006.

Policy Areas

- Part 2 of the Code of Practice within the SSWB Act
- Autism Delivery Plan 2021-2022

(5.1) Predicted number of people aged 0-17 with Autistic Spectrum Disorder (ASD).



Across local authorities in the Gwent region, with the exception of Blaenau Gwent, all local authority areas are predicted to see an increase in the number. Across the remaining local authority areas in the Gwent region predicted increases range from 2.1% in Monmouthshire to 17.7% in Newport. Autistic people often have difficulty in accessing community activities, leisure facilities and other services. The RPB has supported the embedding of the Integrated Autism Service and raising awareness of autism in schools through a children’s story book – ‘Moli the Cow who Moo she was Different’.

Emerging Themes, Future trends, and challenges

What people have told us

People want help to plan their life the way they want with the right support and services to help. Person centred planning can help people to make their own choices and achieve life goals so people can reach their potential.

There is also a need for more meaningful activities that are fun but also help people to grow and learn. Although volunteering is considered important to learn new skills, more opportunities are needed for paid employment, training, and education. Organisations adapted through the pandemic with some activities being held on Zoom. This created barriers for some organisations to join, due to data protection laws. Many people appreciated the online support and to have options to connect on zoom but have now said they have 'zoom fatigue'.

Independent living is important and the opportunity to live in suitable housing, in a suitable location with the right individual support. One size does not fit all. Some people with autism said they felt that some professionals did not know enough about autism and had a very 'stereotypical view' and felt more training was needed for not just awareness but acceptance of difference.

“My autism is unique to me. I want people to have not just a greater awareness of autism, but also an acceptance of it. My brain works differently to other people, but I have my own unique skills to offer so don't see my diagnosis, see me”.

- People have felt isolated and feel nervous so could need emotional and practical support to return to normality.
- Children and young people with a disability need an improved transition support programme to improve outcomes.
- There have been difficulties with some people accessing suitable health provision so this need addressing for effective future support.
- Improved post diagnostic support is needed for adults as some feel since having their diagnosis they are left “to get on with it”.
- People with autism have struggled through the pandemic with loneliness and want more meaningful activities that inspire and support learning.
- Increased Autism Awareness training for the workforce and communities and how each person is unique with their own strengths and abilities.

Emerging Priorities

- 1. To provide more timely diagnosis of Autistic Spectrum Disorder and access to support services and information and advice.**

(6) MENTAL HEALTH

Mental health affects everyone as it includes emotional, psychological, and social well-being. It affects how we think, feel, and act. It helps determine how we handle stress, relate to others, and make life choices. Mental health is important at every stage of life, from childhood and adolescence through to adulthood. A quarter of people will experience mental health issues or illness at some point during their lifetime, often facing discrimination and stigma and affecting the people around them.

- 1 in 10 children between the ages of 5 and 16 have a mental health problem and many more have behavioural issues. There is evidence this is increasing.
- Approximately 50% of people with enduring mental health problems will have symptoms by the time they are 14 and many at a much younger age, demonstrating that mental illness can affect people across the course of their lives.
- Between 1 in 10 and 1 in 15 new mothers experience post-natal depression.
- 1 in 16 people over 65, and 1 in 6 over the age of 80, will be affected by dementia. Current estimates are that approximately 43,000 people in Wales are experiencing dementia and this is predicted to increase by over 30% in the next 10 years.
- 9 in 10 prisoners have a diagnosable mental health and/or substance misuse problem
- 295 people took their own life in Wales in 2020 (Samaritans)

Key Themes

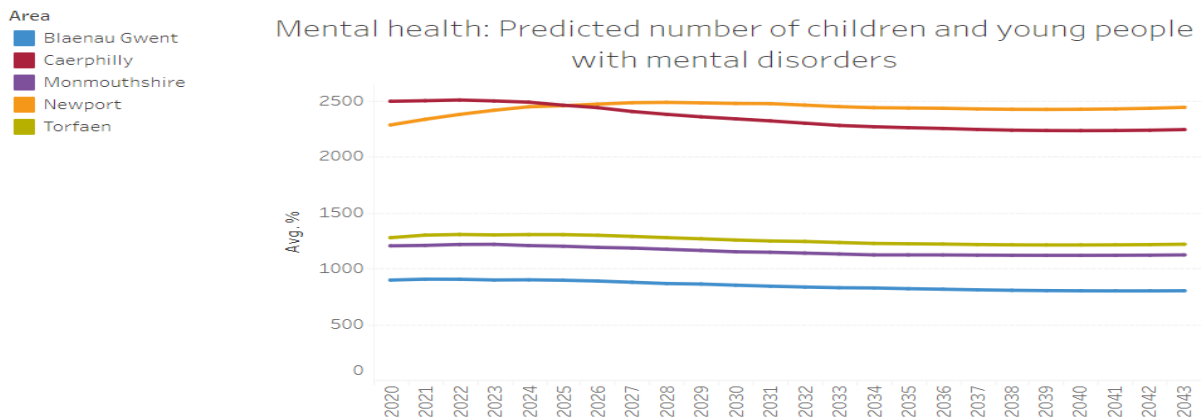
- Increased understanding and awareness of mental health amongst the public to reduce stigma.
- Improved interventions to help people to seek support earlier.
- To improve emotional well-being and mental health for adults and children through early intervention and community support.

Policy Areas

- Together for Mental Health Delivery Plan 2019-2022
- Together for Children and Young People Plan Together for Children and Young People, NHS Wales Health Collaborative
- Covid-19 in Wales: 'the mental health and wellbeing impact' by Cardiff University
- Talk to Me 2, Suicide and Self-Harm Prevention Strategy for Wales 2015-2020 [talk-to-me-2-suicide-and-self-harm-prevention-strategy-for-wales-2015-2020](#)
- National Mental Health Covid survey

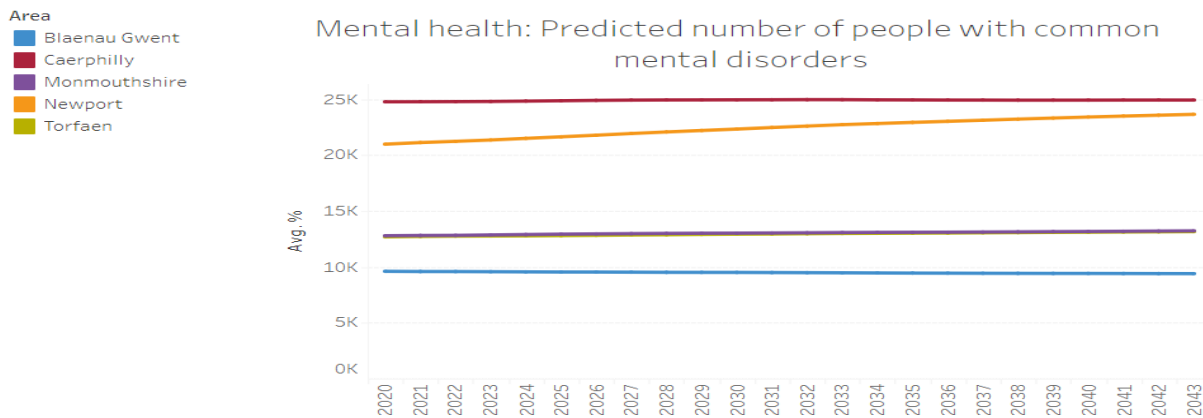
Gwent Population Needs Assessment

(6.1) Predicted number of people aged 5-15 that will have a mental disorders



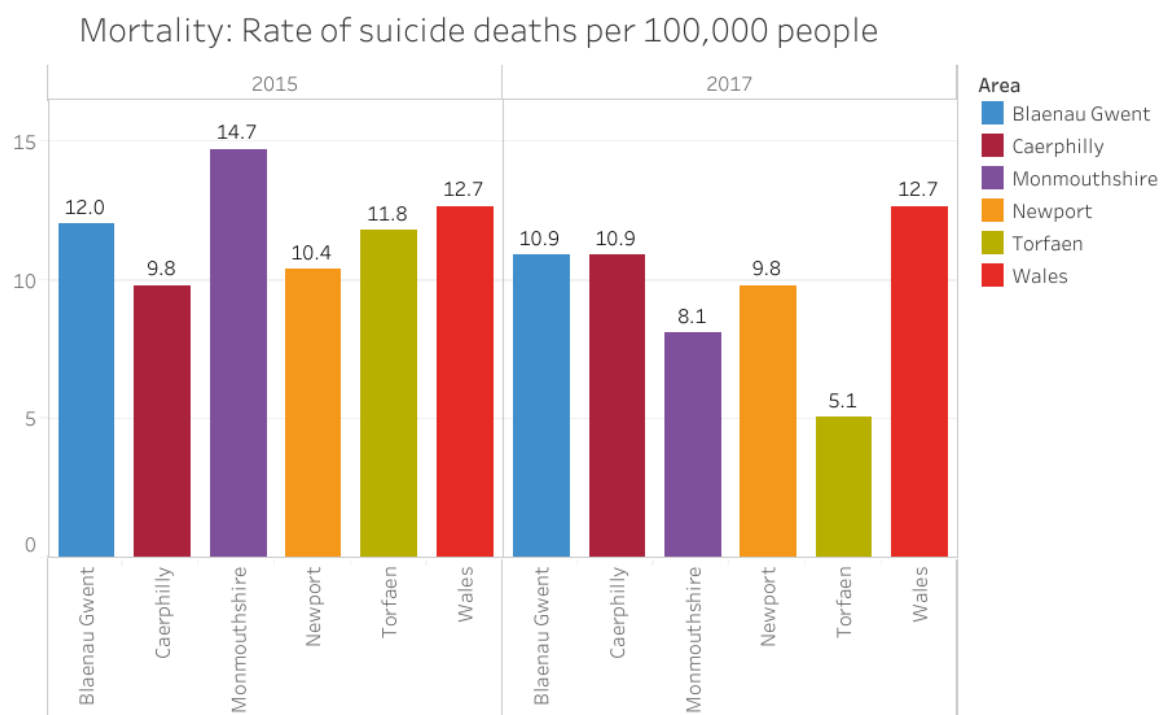
The percentage ranged from 66% in Blaenau Gwent to 78% in Monmouthshire. This compares with 72% of people aged 16 years or older free from a common mental disorder for Gwent and 74% for Wales.

(6.2) Number of people aged 16 plus free from a common mental disorder



Across the local authority areas in the Gwent region both Torfaen and Newport are predicted to see increases of 0.4% and 16.6% in the number of people aged 5 - 15 with a mental health problem. The other local authority areas are all predicted to see decreases over the same period

(6.3) Rate of suicide deaths per 100,000 people.



Office for National Statistics (ONS): SUI0003

Suicide is a major cause of death amongst the 15 to 44 age group. In Wales over the period 2010 – 2012 it accounted for almost one in five deaths in males aged 15 to 24 years and just over one in ten deaths amongst women of that age. Suicide (intentional self-harm and events of undetermined intent) accounted for 27% of external causes of death (transport accident, suicide, other accidental 9 injury, other external causes) in all ages (15 and over) between 2010 and 2012. This exceeded deaths from road traffic accidents which account for 9.1% (an average of 107 per year) in the same age group and time period.

Research was completed in 2020/2021 by a range of partners from ABUHB, Swansea and Cardiff University, *‘The influence of the COVID-19 pandemic on mental wellbeing and psychological distress: A comparison across time’*. This research highlighted the impact the pandemic has likely had on psychological wellbeing and the mental health of many people. It was found that there was an increase in clinically significant levels of psychological distress in Wales, particularly in younger adults, women, and those from areas of greater deprivation. These findings can be used to prepare and plan for the wave of psychological distress that has been predicted to hit mental health support services due to the pandemic. ‘There is a need to balance the efforts to stop the spread of the virus against the mental health problems being caused by the virus’.

In Gwent we have established the multi-agency Gwent Suicide and Self-Harm Prevention Steering group to develop our local plan to be responsive to the needs of the population. We hold biannual workshops to ensure we engage and take account of evidence and local data. Suicide and self-harm prevention are everyone’s business and requires a collaborative

approach and we have a passionate proactive partnership to take this work forward. The Gwent Suicide and Self-Harm prevention plan reflects the national Talk to Me 2 strategy, setting our aims and objectives to prevent and reduce suicide and self-harm in Gwent and the workshops are used to discuss priorities for the year ahead.

There are additional data graphs relating to adults in the Social Wellbeing section of the Wellbeing Assessment including

1. Mental health
2. Loneliness
3. Suicide and self-harm

NHS Wales in conjunction with Cardiff and Swansea Universities developed a national survey to assess levels of mental health during the recent pandemic. This research examined the psychological wellbeing and mental distress of the population of Wales during the first and second national lockdown periods – June to July 2020 and Jan to March 2021 respectively.

- Survey 1 (June – July 2020): 12,989 completed the survey and of those, 2,470 (20%) indicated they lived in ABUHB region.
- Survey 2 (Jan – March 2021): 10,428 completed the survey and of those 3,486 (33%) indicated they lived in ABUHB region

(6.4) Research Findings: Variations across Wales – Percentage of respondents reporting moderate to severe psychological distress

Local Authority	Survey 1	Survey 2	Change from 2020 to 2021
Blaenau Gwent	43%	49.1%	+ 6.1
Caerphilly	37.8%	48.2%	+ 10.4
Monmouthshire	23.4%	34.9%	+ 11.5
Newport	38.6%	44.8%	+ 6.2
Torfaen	32.0%	46.8%	+ 14.8

More respondents were experiencing severe psychological distress in survey 2, compared to survey 1, and the RPB will need to keep the mental health and wellbeing of our population central to our medium/long whole system Covid-19 recovery policy and planning. The RPB will consider further actions at both a local and national level to mitigate the risk factors, and enhance the protective factors, associated with poor mental wellbeing and psychological distress; as well as exploring what further actions need to be taken to meet an increased need for mental health support across all tiers of service provision.

Emerging Themes, Future trends, and challenges

- Poor mental health and mental illness have a significant impact on individuals, society, and the economy overall. To respond to the mental health emergency, we need to work collaboratively to support more preventative and early interventions and encourage inclusivity.
- We need to promote the mental wellbeing of people in Gwent and ensure that the workforce is supported to be able to provide people with the support they need at the right time.
- Although progress has been made through previous strategies there is still work to do to improve life outcomes for people and address stigma.
- We need to improve information available to the public, to create more understanding of mental health and encourage people to talk to gain early support. It is also crucial we meet the needs of Welsh language, other languages, Easy Read and Braille; and other accessible formats so mental health information is accessible to all.
- There is a need for more meaningful activities to promote wellbeing and improve life outcomes.
- There is a need to tackle loneliness and isolation.
- In Gwent we need to look at ways of improving job opportunities for people with mental health issues to get people into work and out of poverty.
- The need to adopt the principles of consent, choice and inclusiveness, and respect for delivering care, within the least restrictive measure under the umbrella of **mental capacity Act 2005 and the amended 2019 act**. This will mean commitment to implementing the newly amended MCA 2019 act when it finally becomes law

What are the gaps in understanding of wellbeing?

Blaenau Gwent	Caerphilly	Monmouthshire	Newport	Torfaen
316	758	324	567	378

There are a total of 2,343 people supported with mental health services through ABUHB but there are also signs that the pandemic is driving a worrying rise in mental health in Wales. Two thirds of people in Wales have said the pandemic has had a negative impact on their wellbeing. People have gone through adverse experiences such as losing their jobs, falling into debt, worrying about their health, and been isolated from friends and families. For most people, the symptoms of Covid-19 pass within a few days or weeks, but for some people the effects can last for weeks or months. This condition is called long Covid and can impact mental health causing depression and anxiety as well as sleep issues, extreme tiredness and a range of other debilitating symptoms.

Research was completed in 2020/2021 by a range of partners from ABUHB, Swansea and Cardiff University, ‘The influence of the COVID-19 pandemic on mental wellbeing and psychological distress: A comparison across time’. This research highlighted the impact the pandemic has likely had on psychological wellbeing and the mental health of many people. It was found that there was an increase in clinically significant levels of psychological distress in

Wales, particularly in younger adults, women, and those from areas of greater deprivation. These findings can be used to prepare and plan for the wave of psychological distress that has been predicted to hit mental health support services due to the pandemic. 'There is a need to balance the efforts to stop the spread of the virus against the mental health problems being caused by the virus'.

What people have told us

People have said they are struggling with poor mental health due to their early life experiences, financial issues, housing, long term illness, family worries, employment issues, bereavement or feeling burnt out from workloads and caring roles. Many people feel worse emotionally since the pandemic however it is worth noting that some people in Gwent also said they feel more relaxed in some ways; as life has slowed down for them and they don't have to go out of the house to access some services.

Some people felt they had to fight for support and had been pushed into financial difficulty as they had to give up work as unable to cope. Also, people from BAME communities said their mental health had been affected by racism, inequalities, and mental health stigma with added stress of the challenges of accessing services. There can also be language barriers and not knowing where to turn for help.

Waiting lists for mental health services can be lengthy due to the level of need and during this time an individual's emotional wellbeing can decline further. Some people also felt that there was not enough crisis support.

"I wish people viewed mental health differently I used to work but had to give up as I was not emotionally well enough and started having physical problems. That could happen to anyone at any time, People still judge and there is still a stigma to mental health".

Emerging Priorities

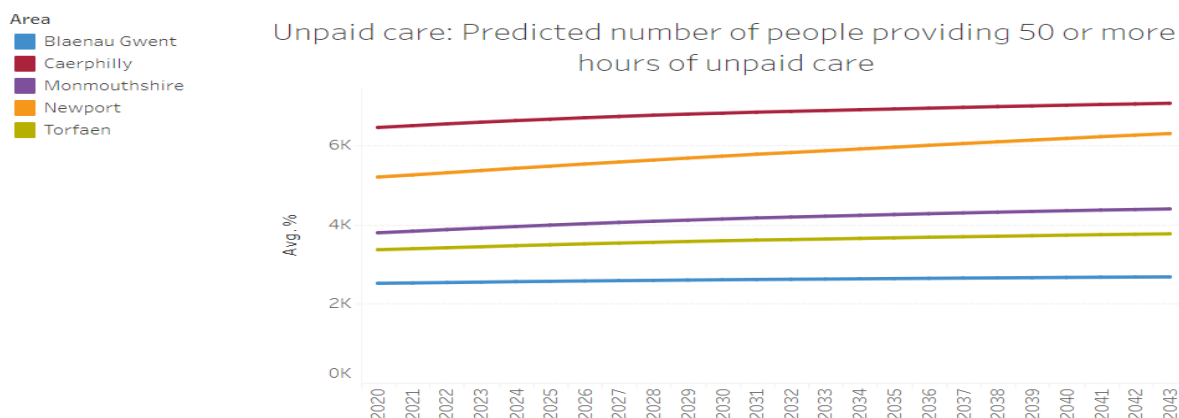
- 1. Increased understanding and awareness of mental health amongst the public to reduce stigma and help people to seek support earlier.**
- 2. To improve emotional well-being and mental health for adults and children through early intervention and community support.**

(7) CARERS WHO NEED SUPPORT

Policy Area

- Welsh Government’s Strategy for Unpaid Carers

(7.1) Predicted number of people providing 50+ hours of unpaid care



Figures are taken from the Census 2011 reference CT0224 - Sex by age by provision of unpaid care by general health. This dataset provides estimates that classify usual residents of England and Wales by provision of unpaid care and by age and by general health. All local authority areas across the Gwent region are predicted to see an increase in the number. The predicted increases range from 35.6% in Blaenau Gwent to 58.9% in Monmouthshire over the period.

A survey by Carers UK of over 8,000 people currently caring unpaid for family or friends, the majority of whom provide well over 50 hours of care every week, reveals the huge personal and financial cost of caring for a loved one. Nearly one in four carers (23%) do not have enough money to cover their monthly expenses. Many carers are worrying about how they will cope this winter face rising energy prices and increases in the cost of living. As well as providing significant levels of care themselves, almost two thirds (63%) of carers are also using their own income or savings to cover the cost of care, equipment or products for the person they care for. On average carers spend an estimated £1,370 a year on services or equipment for the person they care for.

The situation has got worse during the pandemic with over one in three carers (36%) saying that their financial situation has worsened since the start of the COVID-19 pandemic and a quarter (25%) are spending more on equipment or products for the person they care for. As a result many are struggling financially and unable to save for their own retirement. Almost two-thirds of carers (65%) say they are worried about their ability to save and plan for the future. The financial strain is also damaging carers’ mental health with over half (52%) reporting they feel anxious or stressed about their finances, and over one in three carers (35%) providing more than 35 hours of care a week said they have been or are in debt.

Gwent Population Needs Assessment

Carers are still having to take on more hours of care for the person they care for, with 55% of carers having reduced or no access to day services and a third of carers reporting reduced or no access to paid care workers.

(7.2) Number of young carers known to Social Services during the year 2016

Blaenau Gwent	Caerphilly	Monmouthshire	Newport	Torfaen
17	45	38	51	49

A young carer is someone aged under 18 who takes responsibility for someone who is ill, disabled, elderly, experiencing mental distress or affected by substance misuse, or has substantial responsibility for caring for a sibling. A young carer may be from any family. They may be the person providing all of the care but may also help someone else to provide the care.

(7.3) Number of schools engaging in Young Carers in School Programme

	Number of Primary Schools	Engaging Primary schools	Number of Secondary Schools	Engaging secondary schools	Engaging PRS 1/5
Blaenau Gwent	23	3	4	3	
Caerphilly	78	8	12	7	
Monmouthshire	30	1	4	4	1
Newport	46	3	9	8	
Torfaen	26	6	6	5	
Total	203	21 (10%)	35	27 (77%)	1 (20%)

The RPBs commitment to supporting young/young adult carers in education remains high especially identifying hidden carers. We have seen a changing climate for young carers balancing their caring roles, alongside coping with firstly school closures and managing online learning and then reopening of schools further exacerbated by outbreak quarantines. It has become ever more important that systems are in place to understand, inform, identify, support and listen to young carers. We have been raising awareness with school staff and students about young carers and the challenges they may face and encouraging parents and young people to identify themselves to receive tailored support with their education. This has been done in a range of ways to take account of Covid restrictions which has made it difficult to offer face to face visits including: staff training is offered every 6-8 weeks virtually to schools in Gwent; assembly videos can be shared with students and staff of all ages; letters sent to families with information on how to access young carer services and carers assessments locally.


The Young Carers in schools programme delivered by CTSEW has seen an increase in demand. In Gwent, a total of 49 primary/ secondary schools are engaging with the programme. Originally this programme funded one Schools Development Worker with support from the Young Carers Manager. This year it has become necessary to review this, to take account of support and engagement needed with primary schools with an additional Young Carers in Schools Programme Officer to focus on primary schools in Gwent.

(7.4) Predicted number of people aged 16 - 24 that will provide 1 - 19 hours of unpaid care in 2035

Blaenau Gwent	Caerphilly	Monmouthshire	Newport	Torfaen
266	904	236	740	464

Figures are taken from the Welsh Health Survey 2008: Health of Carers. The prevalence rates have been applied to population projections to give estimated numbers predicted to provide unpaid care, to 2035.

(7.5) Number of carers accessing regional Carers Hub

	Number of Carers Accessing Gwent Carers Hub	Number of Referrals Received	Number of Referrals from Professionals
April 2020 – March 2021	1105	530	187
April 2021	283	42	3
May	239	85	8
June	323	70	3
July	310	58	12
August	303	48	3
Sept	191	50	6
Total	1649	353	35

The Gwent Carers Hub is available to all carers in the Gwent region. During 2020/21, 1105 carers accessed the Gwent carers hub. We have already seen a significant increase this year; in the period April 2021- September 2021 up to 24th September 2021, 1649 carers accessed the service. The Carers Hub provide accesses to information as well as wellbeing activities, first aid training for carers, legal clinics, coffee morning, complimentary therapies and drop in services.

Emerging Themes, Future trends, and challenges

Carers UK report that:

- There are 370,230 carers in Wales according to the 2011 census
- The Office of National Statistics indicated that there are 487,000 carers in Wales in a 2019 survey
- Every year in Wales 123,000 people become carers
- Carers save the Wales economy £8.1 billion per year
- Nearly 3 million people in the UK juggle caring with holding down a job
- The main carers' benefit is worth just £64.60 for a minimum of 35 hours - £1.85 per hour
- 103,594 people in Wales provide over 50 hours of care per week

- People providing high levels of care are twice as likely to be permanently sick or disabled
- Over 1 million people in the UK care for more than one person
- 58% of carers across the UK are women; 42% are men
- By 2037 the number of carers in the UK will have increased to 9 million

On 1st October 2021, the **Older Persons Commissioner reported on her findings in their 'State of the nation' report**. This highlighted that unpaid care had increased significantly with 80% providing more care than before the pandemic, 72% had not had a break from their caring roles since the pandemic and reported loneliness of older people had increased from 49% to 75%.

In **2021/22 Welsh Government reaffirmed its commitment to carers with the announcement of £1 million nationally for Local Health Boards** to work collaboratively with partners to address four national priorities to improve support for carers by:

- identifying and valuing carers;
- providing information, advice and assistance
- supporting life alongside caring and
- supporting unpaid carers in education and the workplace.

In January 2022 the commitment was confirmed further but with a single focus of supporting hospital discharge.

Public Health Wales research *'Unpaid carers in Wales: The creation of an e-cohort to understand long-term health conditions amongst unpaid carers in Wales'* was the first study in Wales providing a comprehensive assessment of the prevalence of physical and mental long-term health conditions and multimorbidity as managed in primary care amongst unpaid carers, and compared to a matched comparison group of non-carers in Wales. The study highlights the health needs of unpaid carers are often overlooked due to the focus on the health of those being cared for. Understanding the health and wellbeing needs of unpaid carers themselves is of key importance, to ensure support is in place to maintain their own good health whilst they also care for others. The research also found:

- Routinely collected primary care data and National Survey for Wales data were used to identify 62,942 unpaid carers in Wales since 2011; this electronic-cohort **of unpaid carers were more likely to be female, of older age and live in deprived areas**, compared to the general population in Wales.
- Thirty-six out of thirty-seven physical and mental long-term health conditions recorded in primary care were more prevalent among unpaid carers than non-carers. The most **prevalent condition for both unpaid carers and non-carers was anxiety and/or depression, with standardised rates of 248 and 137 per 1,000 population respectively**.
- For some conditions, there was evidence to suggest onset at a younger age amongst unpaid carers such as anxiety and/or depression, irritable bowel syndrome and musculoskeletal disorders.
- **Unpaid carers were more likely to be living with multiple long-term health conditions (308 per 1,000 population amongst unpaid carers compared to 187 per 1,000 population**

amongst non-carers), and the difference in prevalence was greater at a younger age (e.g. for those aged 25-34yrs, 205 per 1,000 population amongst unpaid carers compared to 79 per 1,000 population amongst non-carers). In older age, the proportion of unpaid carers managing multiple long-term conditions exceeded 550 per 1,000 by the age of 65 years and above, whereas amongst non-carers this proportion was only exceeded at 75 years and above.

What Carers have told us?

During Cares week 2021, over 700 carers were involved in activities and information awareness including over 100 young carers. Carers week is an opportunity to raise greater awareness of the caring role and provide information to the public. One local authority used this an opportunity to all gather feedback on services.

There were 466 webpage views during Carers Week, an average of 1,684 people saw each daily Facebook carers posts between 3 and 13 June 2021 which resulted in 102 clicks for further information. The highest numbers of people who saw individual posts was on 8 June with a reach of 2,093 people. There was an average of 1,669 Twitter impressions across the week. The most popular post was on 3 June which detailed the lighting of the Civic Centre clock tower in blue to mark Carers Week 2021.

State of Caring 2021 in Wales: each year, Carers UK carries out a survey of carers to understand the current state of caring in the UK. This report contains a snapshot of what caring in Wales is like in 2021, capturing the impact that caring has on carers' lives and evidencing the policy recommendations that would improve this.

Finances: caring often brings with it additional costs, from equipment and care costs to increased expenditure on fuel and transportation. When asked to describe their current financial situation, 36% of carers in Wales said they were struggling to make ends meet. A further 23% are or have been in debt as a result of caring and 8% cannot afford utility bills such as electricity, gas, water or telephone bills. When asked about how their financial situation had changed since the start of the COVID-19 pandemic, 36% of carers said that their financial situation had got worse since the start of the pandemic. Caring can be expensive and 65% of carers are spending their own money on care, support services or products for the person they care for. The average monthly spend for carers in Wales is £109.75 and with high rates of inflation and a rising cost of living, this extra spend is likely to further disadvantage carers financially.

Support and Services: carers often need practical and emotional support to enable them to care safely for people with complex needs, and too often they struggle to get the support they need. When asked about barriers to accessing support, the largest issue for Welsh carers was that they did not know what services were available in their area with 40% of carers reporting this as a barrier. In addition, 30% of carers were concerned about the risk of catching COVID-19 and 32% say that the care and support services did not meet their needs. Considering the future of services, 51% of carers were uncertain about what practical support

they may be able to access in the next twelve months and 66% were worried that services will be reduced.

Health: Caring can have a detrimental impact on someone's physical and mental health. 26% of carers described their physical health as bad or very bad. 34% of carers rated their mental health as bad or very bad. Looking at wider indicators of wellbeing, 36% of carers reported that they are often or always lonely, otherwise known as being 'chronically lonely'. Carers also rated their overall satisfaction with life at an average of 4 out of 10 and their level of anxiety at 6 out of 10. Carer's assessments The Social Services and Well-being (Wales) Act 2014 gives Welsh carers the right to a carer's needs assessment. Despite carers' rights to assessments only 21% of Welsh carers reported having an assessment in the last 12 months. Of those, 28% waited more than six months for their assessment. Of those who hadn't requested a carer's assessment, 37% stated that this was because they didn't know what it was and 20% stated it was because they didn't think it would be beneficial. 10% of carers said their assessment had been postponed or they were still waiting.

Technology: When asked about their current use of digital technology, remote healthcare such as online GP appointments was the most popular technology listed with 37% of carers stating that this made their caring role easier. Looking to the future, 31% of Welsh carers would like to continue accessing support services digitally in the future and 44% stating they would like to continue accessing health and social care services digitally.

Work: Working carers represent a significant proportion of the working population and 196 respondents were in paid work. The pandemic is continuing to have an impact on working experiences, with 51% of working carers are working from home part or full time. The limited return of services continues to have an impact. 30% of working carers in Wales stated that if care services did not return, they would either need to reduce their working hours or give up work entirely.

Respite is continually highlighted as the highest support need for carers across Gwent.

Emerging Priorities

1. Support carers to care through flexible respite, access to accurate information, peer to peer support, effective care planning and through an increased public understanding.
2. Improve well-being of young carers & young adult carers and mitigating against the long term impact of Covid-19 pandemic

(8) HOUSING

Housing needs include specialist housing and accommodation needs of the core priority groups, including supported accommodation, such as extra care housing, supported living for adults with a disability, and small unit residential care for children with higher needs. Also included are additional investment in adaptations to support people in the priority groups to continue to live independently and safely in their own home.

Policy Areas

- The Housing (Wales) Act 2014
- Well-being of Future Generations (Wales) Act 2015
- Renting Homes (Wales) Act 2016
- Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015
- Substance Misuse Delivery Plan 2019 – 2022
- Together for Mental Health: A Strategy for Mental Health and Wellbeing in Wales
- Equality Act 2010
- Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness 2016
- Housing Support Grant Guidance March 2021
- Programme Plans and Objectives (PPO) being undertaken for the ICF Capital Funding programme.
- Local Housing Market Assessments (LHMAs)
- Welsh Government Strategy for Preventing and Ending Homelessness
- Ending Homelessness in Wales: A high level action plan 2021-2026

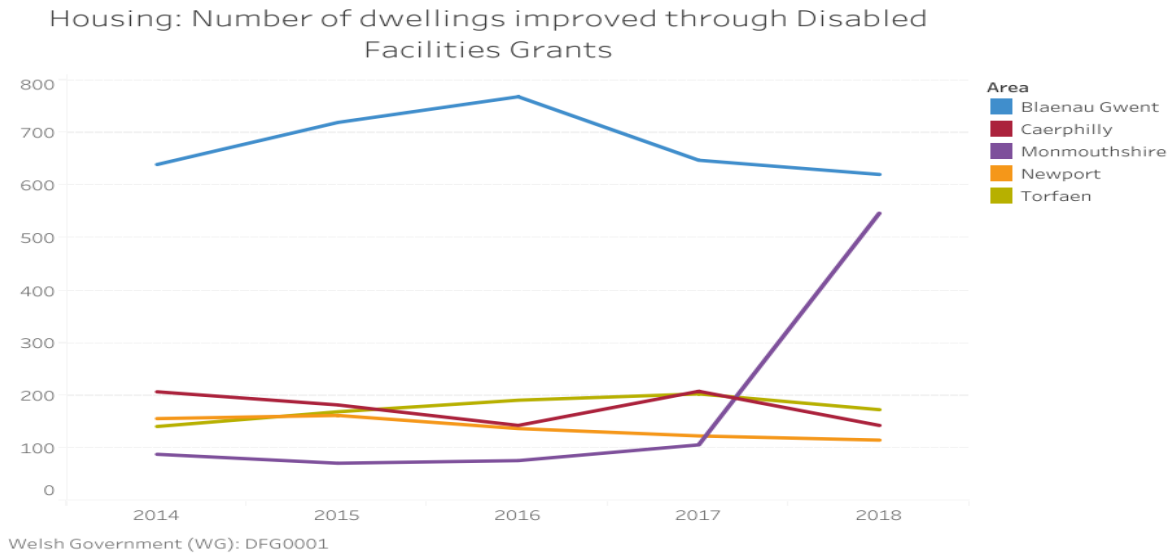
(8.1) Rate of all other accommodation for persons aged 16+ with a learning disability per 10,000 population

Blaenau Gwent	Caerphilly	Monmouthshire	Newport	Torfaen
3.8	6.6	9.4	7.6	5.1

The data is taken from the Register of persons with learning disabilities (SSDA901). The data may be an underestimate of the total number of people with learning disabilities as registration is voluntary. Local authorities submit numbers of those identified as having a learning disability currently known to the authority and included in a register for the purpose of planning or providing services.

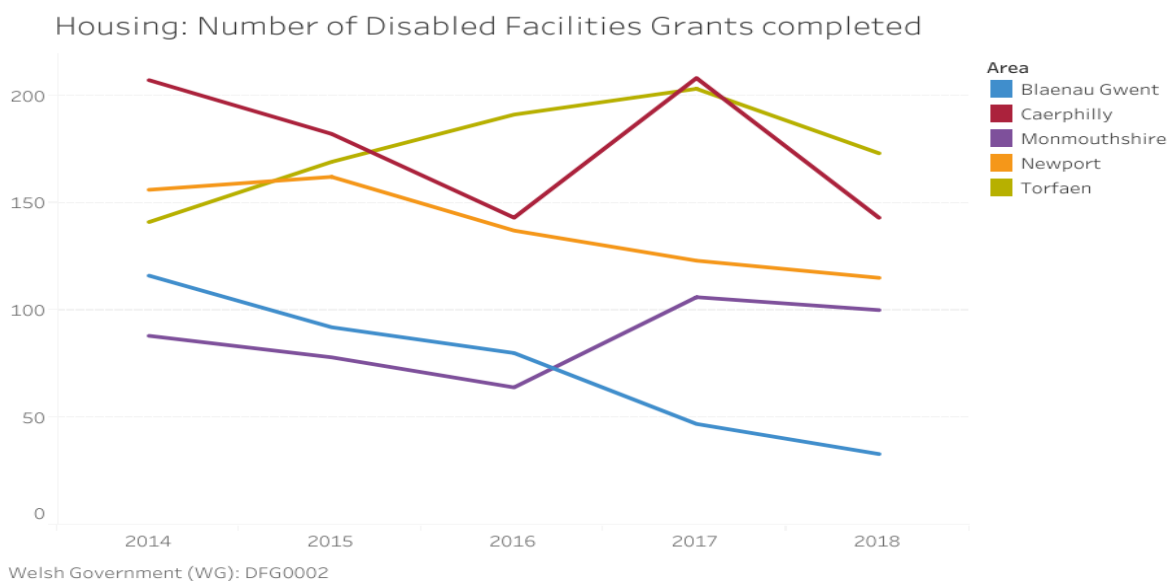
Gwent Population Needs Assessment

(8.2) Number of dwellings improved through Disabled Facilities Grant



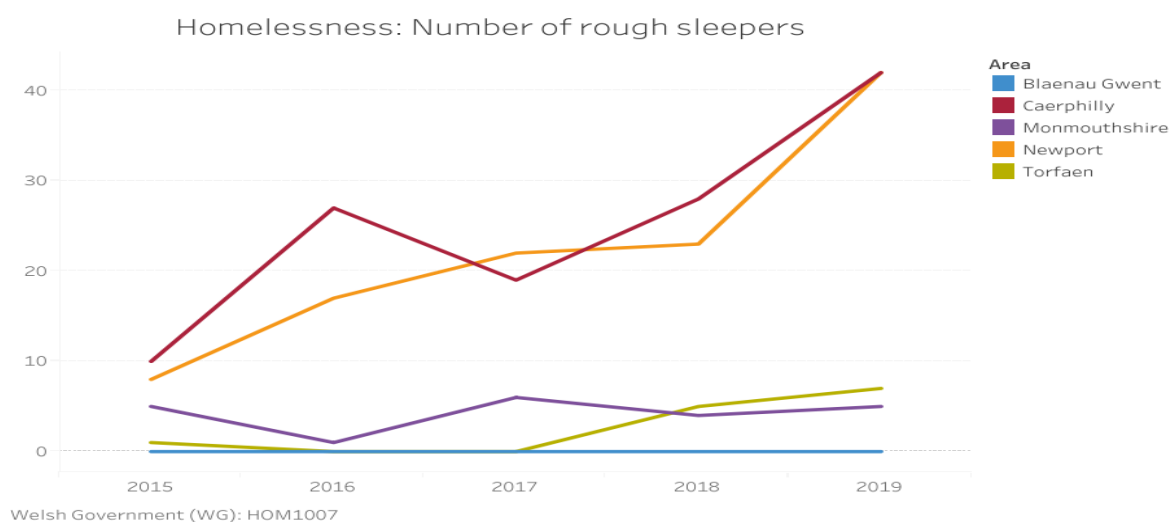
The DFG is a mandatory council grant that helps to meet the costs of adapting a disabled person's home so that they can continue to live there as independently as possible. Tenants, owner occupiers and landlords who have a disabled tenant can apply for a DFG. The DFG is a means tested grant to disabled adults (means testing does not apply to parents of dependent disabled children or young people under 19). This means depending on your income, savings and outgoings, you might have to make a contribution towards the cost of the works. In Wales, the maximum DFG award is currently £36,000. There is growing concern amongst LAs given budget pressures and introduction of financial assessments, that a number of people are pulling out of the process and exacerbating original issues.

(8.3) Number of Disabled Facilities Grants completed



Examples of the sorts of adaptations the DFG covers include: Widening doors and installing ramps or stairlifts, Kitchen and bathroom adaptations for eg. walk in showers, Extensions (possibly for a downstairs bathroom and/or bedroom), Installing a suitable heating system that meets the disabled person's needs, Adapting the controls on the heating system or lighting so they are easier to use. Before a formal DFG application is considered, a social services department's occupational therapist (OT) will usually need to assess the disabled person's needs, including whether the works are "necessary and appropriate". The OT's recommendations are normally put to the Housing Department who administers the DFG. The council will then have to decide whether it is "reasonable and practicable" to do the works. Given the challenges and lack of recruitment into OT posts, there is a real concern that the number of DFG completed will decrease. The RPB are currently assessing the potential impact across the 5 LAs.

(8.4) Number of rough sleepers



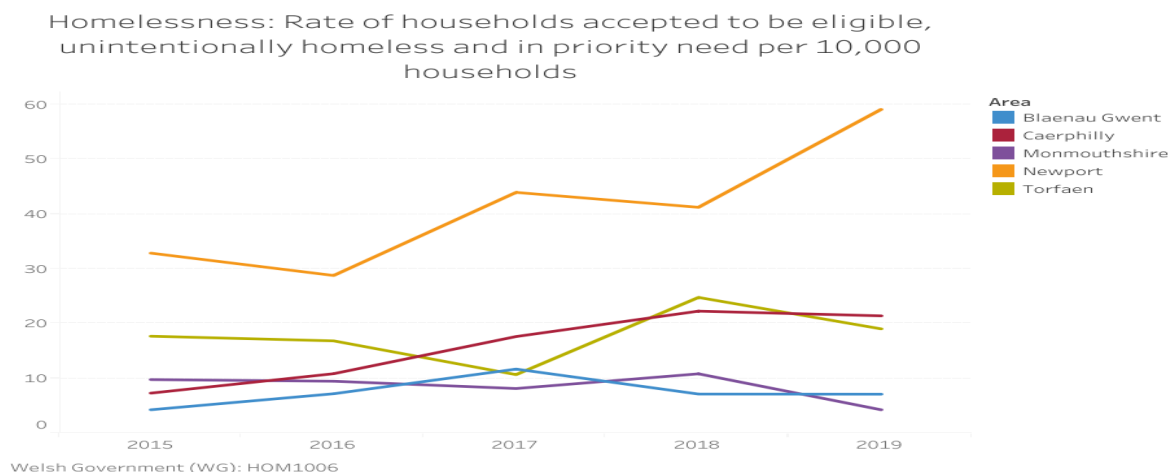
Homelessness is where a person lacks accommodation or where their tenure is not secure. Rough sleeping is the most visible and acute end of the homelessness spectrum, but homelessness includes anyone who has no accommodation, cannot gain access to their accommodation or where it is not reasonable for them to continue to occupy accommodation. This would include overcrowding, 'sofa surfing', victims of abuse and many more scenarios. A person is also homeless if their accommodation is a moveable structure and there is no place where it can be placed. Homelessness, or the risk of it, can have a devastating effect on individuals and families. It affects people's physical and mental health and well-being, and children's development and education, and risks individuals falling into a downward spiral toward the more acute forms of homelessness. The impacts can be particularly devastating if a stable, affordable, housing solution isn't achieved and people end up having to move frequently. The average age of death for people experiencing homelessness is 45 for men and 43 for women. People sleeping rough are 17 times more likely to have been the victims of violence. Homeless people are 9 times more likely to take their own life than the general population Ref: [About Homelessness | Crisis UK](#)

Gwent Population Needs Assessment

Implementation of Part 2 of the Housing (Wales) Act 2014 by local authorities across Wales has done much to prevent individuals and families from becoming homeless – over 23,673 households since 2015. However, whilst prevention rates remain high at 68% in 2018-19, there are still far too many whose homelessness is not prevented and who are falling through the net. The demand on local authority services under the 2014 Act duties is increasing. In 2018-19 over 10,000 households presented to local authorities as at risk and a further 11,500+ presented as homeless and owed a duty.

Rough sleeper numbers in Wales are estimated to be 128 in September 2021, with numbers increasing slightly over the summer period. The data available is more accurate and current than it has ever been and provides a clearer understanding of all forms of homelessness in Wales, which would otherwise be masked through sofa surfing, living in overcrowded homes or unconventional types of dwellings.

(8.5) Rate of households accepted to be eligible, unintentionally homeless and in priority need per 10,000 households.



At the start of the first lockdown in March 2020, an emergency homelessness response was put in place. This involved additional funding, together with both statutory and non-statutory guidance to ensure that no-one was left without accommodation, together with the support they need, to stay safe during the pandemic. The inclusive ‘no-one left out’ approach has been in place continuously since then and to date has resulted in local authorities and their partners supporting over 15,300 people into temporary accommodation since March 2020. Latest data shows there were 6,935 people in temporary accommodation at the end of September 2021, of which 1,742 were dependent children.

Whilst the pressure on homelessness services remains high, with around 1,000 people presenting a month, understanding the true scale of homelessness presents us with a unique opportunity to make the radical change required to address it. It increases the urgency and importance of preventative work to stop people ever experiencing the destabilising impact of homelessness. It increases the urgency and understanding of the housing capacity required, both in the social and private sector, to make the transformational shift required to end homelessness. Latest figures for 2021

Blaenau Gwent	Caerphilly	Monmouthshire	Newport	Torfaen	Wales
8	24	4	58	33	28

(8.6) Temporary Accommodation

The table below shows the number of homeless households in temporary accommodation in Gwent at 31st March 2021 and to allow for comparison the table following shows the number of households in temporary accommodation in Gwent as at 31st March 2020 and number of households in temporary accommodation in Gwent as at 31st March 2020 is also provided. Ref: [Households in Temporary Accommodation \(gov.wales\)](#)

Authority	No of households in temporary accommodation at 31 March 2021	Mid-year 2020 household estimates	Rate per 10,000 households	No of households in temporary accommodation at 31 March 2020
Blaenau Gwent	38	31,371	12.1	27
Caerphilly	224	77,242	29.0	123
Monmouthshire	131	40,712	32.2	21
Newport	346	66,543	52.0	153
Torfaen	88	40,813	21.6	60
Gwent	827	N/A	N/A	384
Wales	3,730	1,378,226	27.1	2,325

Newport reported the second highest number of households in temporary accommodation as at 31st March 2021 in Wales and saw the biggest increase during this collection period (April 2020 – March 2021). Following a Gwent regional snapshot collection that was collated during September 2021 through the Regional Housing Support Collaborative Group, we can see that the trajectory of people accommodated in temporary accommodation has since increased again to 936 households. Additionally, waiting list figures were also collected as part of this snapshot exercise and as of 10th Sept 2021 there were 452 households on the waiting list for temporary accommodation.

(8.7) Provision of accommodation for 16 and 17-year-old young people who may be homeless

Supporting children and young people to remain with their families is in the best interest of most children. This fundamental principle also applies to 16 or 17 year olds, unless it is not safe or appropriate to do so or where there are other responsible adults in their wider family and friends network that can care for the young person. Gwent Local Authorities explicitly recognise this principle, with services commissioned to work pro-actively with young people and their families to identify and resolve the issues which have led to the homelessness crisis. This could involve family support such as family mediation or family group conferences.

Where a young person approaches for housing assistance, their needs for accommodation are clearly assessed taking into consideration their welfare and ability to continue to live in their current accommodation or family home. If a young person is eligible for assistance the accommodation must be suitable. B&B accommodation is not normally considered to be a suitable option and therefore is only used by Gwent Local Authorities as an emergency short term provision.

The following information is collected by Welsh Government in order to establish the number of placements made by Local Authorities into Bed and Breakfast accommodation to meet the

Gwent Population Needs Assessment

immediate housing needs of all young people aged 16/17, and also 18-20 year olds (up to 21st birthday) who have previously been in care.

Total placements in bed and breakfasts during the quarter, by length of stay and whether the provision is through Homelessness or Social Services legislation - Period (2020-21 January –March)

	Total		Total of which are single person household: Aged 16 to 17	Of which are care leavers only, aged 18 to 21, accommodated by the current Homelessness legislation
	Of which are single person household: Aged 16 to 17, accommodated by the current Homelessness legislation	Of which are single person household: Aged 16 to 17, Accommodated by Children's Social Services		
Wales	75	42	120	69
Gwent	30	21	54	18

Emerging Themes, Future trends, and challenges

Each year local authority Housing Support Grant teams will distribute a Gwent Housing Support annual service user survey and the survey has become an important and established element of the needs mapping process. It is the responsibility of the local authorities in the region to ensure that engagement is undertaken with those who have used services. Those who have needed to use services funded through the Housing Support Grant come from a wide range of backgrounds and receive support on a range of different issues; the support they receive is person centred and aims to help people to secure and maintain sustainable housing and to develop the skills needed to help them thrive. Consultation with stakeholders happens with face to face meetings and forums taking place at a local level and regionally through an annual survey and quarterly regional provider forum meetings.

During 2020/21, a total of 262 responses were received to the questionnaire with engagement in the consultation exercise across all Gwent Local Authorities. There are approximately 7000 people receiving support across Gwent at any one time from services funded through the Housing Support Grant; finding ways to encourage people to engage in the survey continues to be an important consideration going forward. A number of key messages were highlighted through the survey and included

- access to technology as part of the support planning process
- closer links need to be made with digital inclusion projects delivered across the region
- access to digital inclusion services and projects to improve their skills and develop their learning in this area and this should be clearly identified in their support plan.

A stakeholder survey is also shared with the service user questionnaire and 31 partners provided feedback and includes

- Scope out exactly what is available
- Long term planning, partnership working and communication is key
- Develop assessments of need

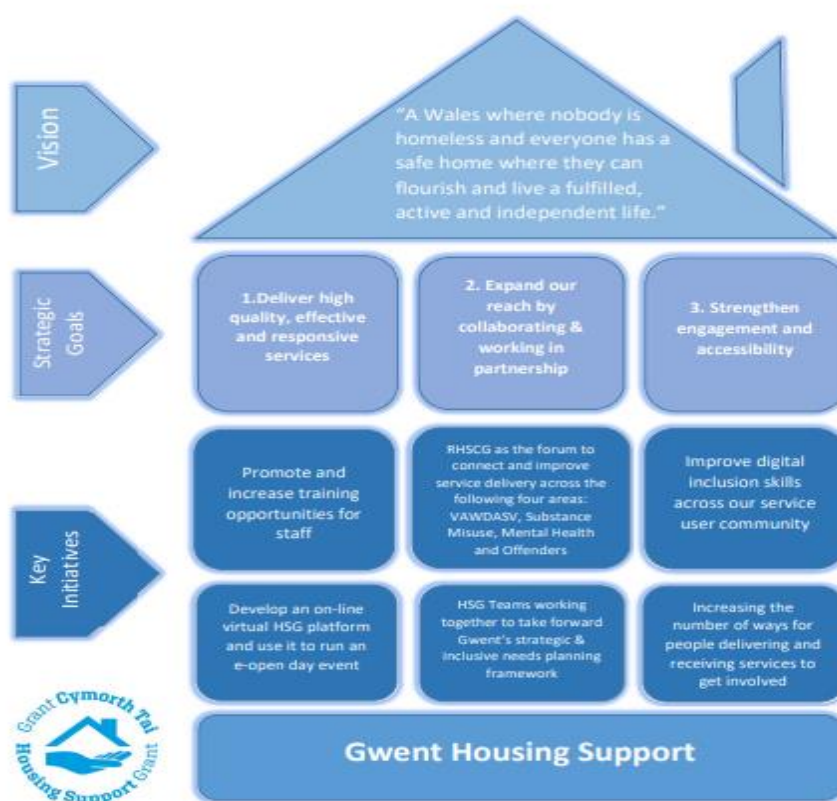
Gwent Population Needs Assessment

- Lack of suitable affordable accommodation and not enough single units as there are not the properties available and we need to develop and bring online more accommodation
- Young people being placed in accommodation that does not meet their needs
- Great vision but stock needs to be there in order for it to be successful.

Following the Housing Support needs planning and consultation processes completed during 2021; the following regional strategic objectives have been developed and agreed with partners and the Regional Housing Support Collaborative Group:

- Deliver high quality, effective and responsive services
- Expand our reach by collaborating and working in partnership
- Strengthen engagement and accessibility

Key initiatives are being developed to deliver against these strategic goals and these will be reviewed on an annual basis (*– the attached pic captures the above responses – workforce development –training, promotion, collaboration and partnership working, digital inclusion and engagement*).



Homelessness

A change in circumstances or a significant life event such as a relationship breakdown or losing employment, has the potential to unexpectedly push any one of us towards the experience of homelessness; a devastating, dangerous, isolating and potentially life changing and

threatening experience. Some people are more at risk of homelessness and these include those who are leaving home for the first time or leaving care, being pregnant and having nowhere to stay, living on a low income, leaving prison, or from being an asylum seeker or refugee.

The Welsh Government definition of homelessness:

'Homelessness is where a person lacks accommodation or where their tenure is not secure. Rough sleeping is the most visible and acute end of the homelessness spectrum, but homelessness includes anyone who has no accommodation, cannot gain access to their accommodation or where it is not reasonable for them to continue to occupy accommodation. This would include overcrowding, 'sofa surfing', victims of abuse and many more scenarios. A person is also homeless if their accommodation is a moveable structure and there is no place where it can be placed.'

Homelessness, or the risk of it, can have a devastating effect on individuals and families. It affects people's physical and mental health and well-being, and children's development and education, and risks individuals falling into a downward spiral toward the more acute forms of homelessness. The impacts can be particularly devastating if a stable, affordable, housing solution isn't achieved, and people end up having to move frequently.

Impact and response during pandemic

The vision in Gwent is for everyone to have a home to live in and the right support if they need it to lead a fulfilling life. Since the onset of the Coronavirus (COVID-19) pandemic, an emergency homelessness response has been in place and the approach to homelessness has been transformed with the introduction of a 'no-one left out' approach, this involved additional funding, together with both statutory and non-statutory guidance to ensure that no-one was left without accommodation, together with the support they need, to stay safe during the pandemic. Many households were supported into emergency temporary accommodation and as at 31 March 2021, there were 3,729 households placed in temporary accommodation across Wales. This is an increase of 60% on 31 March 2020, and is the highest figure recorded since the introduction of the current legislation in April 2015.

This inclusive "no-one" left out approach has been in place continuously since then and resulted in over 15,000 people being supported into temporary accommodation across Wales between March 2020 and the end of September 2021. The scale of what may once have been considered hidden homelessness and inequality within Wales has become evident. Latest data shows there were 6,935 people in temporary accommodation across Wales at the end of September 2021, of which 1,742 were dependent children.

Whilst the pressure on homelessness services remains high, with around 1,000 people presenting a month, understanding the true scale of homelessness presents us with a unique opportunity to make the radical change required to address it. It increases the urgency and importance of preventative work to stop people ever experiencing the destabilising impact of homelessness. It increases the urgency and understanding of the housing capacity required,

both in the social and private sector, to make the transformational shift required to end homelessness.

The publishing of the “Ending Homelessness in Wales: A high level action plan 2021-2026 sets out that Welsh Government sees being homeless as simply intolerable and their vision to make homelessness

- **“Rare”** - Ensuring homelessness is rare means preventing people from becoming homeless in the first place
- **“Brief”** – How a national focus on rapid rehousing will lead to a Wales where homelessness is brief
- **and “Unrepeated”** – Ensuring we have a system which places the right people in the right homes in the right communities with the right support, in order for people to succeed and thrive

The above sets the direction of travel for the work of Welsh Government and its partners to end homelessness in the next five years and the responsibility for ending homelessness to extend beyond dedicated homelessness and housing teams and demanding an “all public services” response.

There were a number of principles set out in the Welsh Governments Strategy for Ending Homelessness 2019 that underpin the approach to homelessness prevention and going forward are expected to underpin the work of delivery partners and are to be reflected across public services.

- The earliest preventions are most effective and most cost effective and should always be the interventions of first choice.
- Tackling and preventing homelessness is a public services matter – rather than a ‘housing matter’.
- All services should place the individual at the centre and work together in a trauma informed way.
- The duties in Part 2 of the Housing (Wales) Act 2014 should be the last line of defence – not the first - and all services should work to the spirit not simply the letter of the law.
- Policy, service delivery and practice should be informed and shaped in a co-productive manner and by those with lived experience.

Ref: Homelessness in Wales 2020-2021 Statistical First Release, Ending Homelessness in Wales; A High Level Action Plan 2021-2026

Emerging Priorities

1. A multi agency partnership approach to ensure appropriate housing and accommodation for older people and vulnerable citizens
2. Homelessness requiring a collaborative response from public services
3. Non use of B&B accommodation for young people

(9) Violence against women, domestic abuse and sexual violence (VAWDASV)

Domestic violence and abuse is a serious health and social care issue and has escalated through the pandemic, with access to services curtailed due to the covid 19 outbreak. It impacts on all services including adult and children's social service, health services, housing, criminal justice, education, police, and voluntary and community organisations; so, needs a collaborative approach. Anyone can be affected by domestic abuse and sexual violence including women, men, children, and young people. This can happen regarding of sex, age, ethnicity, gender, sexuality, disability, religion or belief, income, geography, or lifestyle. A significant number of people who experience VAWDASV will have one or more 'protected characteristic' under the Equality Act 2010 and will face additional vulnerabilities and have increased barriers to support.

Gwent has been working in partnership as the first region in Wales for strategic coordination of VAWDASV services, where we pioneer new ways of working. We have a range of early intervention and prevention services through Supporting People, Flying Start, Families First and also specialist sector services, recognising that survivors are the experts. There are a number of data sources available to the regional VAWDASV Board including

- Rate of sexual offences per 1,000 people
- Number of sexual offences
- Number of domestic violence offences
- Number of sexual and domestic violence offences
- Number of MARAC (domestic abuse) cases
- Number of recorded incidents of domestic abuse (DACC)

The RPB works alongside the VAWDASV Board and does not replicate the information monitored.

Emerging Themes, Future trends, and challenges

The pandemic has highlighted the dangers faced by victims and survivors. In Wales during the lockdown period calls to the Wales national helpline Live Fear Free, rose by 49% and call times trebled with those contacting the helpline often reporting more frequent abuse with shorter escalation periods. (Social Care Wales 2021) There has also been a surge in calls and website visits to specialist domestic violence services and emergency services have experienced an overstretched workforce tackling the pandemic.

As lockdown restrictions ease it is expected there will be a demand in services as individuals and

"I have spent most of the pandemic living with daily anxiety for fear something will kick off and have been trying to avoid conflict at all costs with my partner. It has been a scary depressing time for me, and I have felt like I can't breathe".

families look for support. We need to build back better, investing in prevention and early intervention so people can access the right support at the right time. We also need to deliver a whole system approach to tackling abuse and ensuring the safety of both young people and adults through access to safe, effective, trauma informed support.

Gwent Population Needs Assessment

Emerging Priorities

- 1. TBC by VAWDASV Board**

(10) GWENT WORKFORCE AND DEVELOPMENT

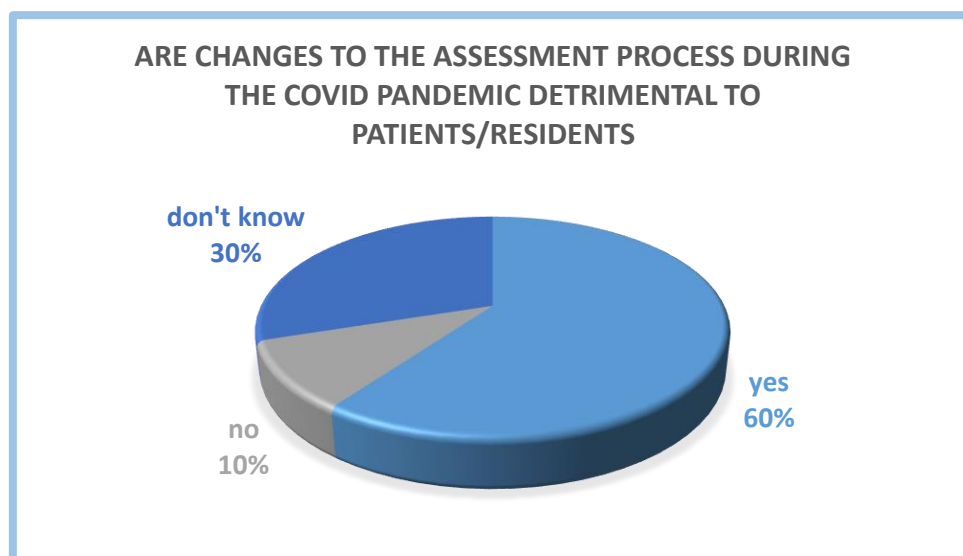
The RPB have established a regional Workforce and Development Board with a delivery plan which is monitored by the Board. Workforce Development managers and the regional Partnership Team meet regularly, prior to the board to ensure consistent developments across the workforce, joint training and continuous development of the regional training plan.

The health and social care workforce has come under an increased focus during the pandemic and with huge recognition amongst the public given the commitment of staff to support vulnerable citizens across the region. Recruitment and levels of pay have proven to be challenging issues across the UK, Wales and in the region. This will require national solutions and an area for RPB focus going forward given that workforce will be the foundations for all health and social care support going forward.

Local Workforce Development Managers and the regional Transformation team form part of a National Social Services and Well-being Act Workforce Development Group. The group ensures coordinated development across Welsh Government, Care Council for Wales and regional and Workforce Development teams and ensures there is a focus on raising the profile of the care sector as a career path and raising standards through commissioning.

(10.1) A survey of the experiences and views of Mental Health assessors and Deprivations of Liberties process during the COVID-19 pandemic.

The Deprivation of Liberty Safeguards (DoLs) provides a legal framework to protect vulnerable adults, who may become, or are currently being deprived of their liberty in a care home or hospital setting and who lack mental capacity to consent to their care arrangements. Measures introduced to manage the spread of COVID-19 by the UK and Welsh Government have impacted upon the assessment process for Deprivation of Liberty safeguards and Best Interest Assessors, Mental health Assessors and DoLs Signatories working in Gwent were asked to complete a survey in relation to their views and experiences during the COVID pandemic.



Gwent Population Needs Assessment

It is clear from practitioners that the virtual and online form of assessment, although necessary at the time, has not been as seamless as other assessments. Barriers to completing DoLs assessments due to the COVID pandemic need further examination and an area of focus for Welsh Government as well as the RPB.



Integrated Impact Assessment document

(incorporating Equalities, Future Generations, Welsh Language and Socio Economic Duty)

<p>Name of the Officer completing the evaluation Phil Diamond</p> <p>Phone no: 07904 921532 E-mail: phil.diamond@torfaen.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>Present Population Needs Assessment</p>
<p>Name of Service area</p> <p>Regipnal Partnership Team</p>	<p>Date</p> <p>2/2/22</p>

Page 137

Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The PNA highlights and focuses on the needs of children and older people and sets out a mandate for a partnership response.		The RPB are undertaking a self assessment to ensure it is fit for purpose to deliver against the highlighted need in the PNA
Disability	The PNA highlights and focuses on the needs of disabilities nd sets out a mandate for a partnership response.		The RPB are undertaking a self assessment to ensure it is fit for purpose to deliver against the highlighted need in the PNA

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Gender reassignment	The PNA is required to include the needs and protected characteristics of vulnerable groups and include a full impact assessment		The RPB are undertaking a self assessment to ensure it is fit for purpose to deliver against the highlighted need in the PNA
Marriage or civil partnership	<i>Same-sex couples who register as civil partners have the same rights as married couples in employment and must be provided with the same benefits available to married couples, such as survivor pensions, flexible working, maternity/paternity pay and healthcare insurance</i>		The RPB are undertaking a self assessment to ensure it is fit for purpose to deliver against the highlighted need in the PNA
Pregnancy or maternity	<i>In employment a woman is protected from discrimination during the period of her pregnancy and during any period of compulsory or additional maternity leave. In the provision of services, goods and facilities, recreational or training facilities, a woman is protected from discrimination during the period of her pregnancy and the period of 26 weeks beginning with the day on which she gives birth</i>		The RPB are undertaking a self assessment to ensure it is fit for purpose to deliver against the highlighted need in the PNA
Race	The PNA is required to include the needs and protected characteristics of vulnerable groups and include a full impact assessment		The RPB are undertaking a self assessment to ensure it is fit for purpose to deliver against the highlighted need in the PNA
Religion or Belief	The PNA is required to include the needs and protected characteristics of vulnerable groups and include a full impact assessment		The RPB are undertaking a self assessment to ensure it is fit for purpose to deliver against the highlighted need in the PNA
Sex	The PNA is required to include the needs and protected characteristics of vulnerable groups and include a full impact assessment		The RPB are undertaking a self assessment to ensure it is fit for purpose to deliver against the highlighted need in the PNA

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Sexual Orientation	The PNA is required the needs and protected characteristics of vulnerable groups and include a full impact assessment.		The RPB are undertaking a self assessment to ensure it is fit for purpose to deliver against the highlighted need in the PNA

2. The Socio-economic Duty and Social Justice

The Socio-economic Duty requires public bodies to have due regard to the need to reduce inequalities of outcome which result from socio-economic disadvantage when taking key decisions This duty aligns with our commitment as an authority to Social Justice.

	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 139</p> <p>Socio-economic Duty and Social Justice</p>	The PNA will set out areas of health and social care deprivation and aim to address differences in services.		The PNA highlights needs of children and young people. Currently WG are considering how to ensure children residential support is moved to not for profit.





3. Policy making and the Welsh language.


How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<p>Policy Making</p> <p>Effects on the use of the Welsh language,</p> <p>Promoting Welsh language</p> <p>Treating the Welsh language no less favourably</p>	<p>The PNA will set out the need to promote the use of Welsh language and options for health and social care assessments.</p>		
<p>Operational</p> <p>Recruitment & Training of workforce</p>			
<p>Service delivery</p> <p>Use of Welsh language in service delivery</p> <p>Promoting use of the language</p>			

4. Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal. There's no need to put something in every box if it is not relevant!

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Part contributes	
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Part contributes	
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	Fully contributes.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Fully contributes.	
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Part contributes	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Part contributes	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Part contributes	

5. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term Balancing short term need with long term and planning for the future</p>	Fully contributes	
 <p>Collaboration Working together with other partners to deliver objectives</p>	Fully contributes	
 <p>Involvement Involving those with an interest and seeking their views</p>	Fully contributes	
 <p>Prevention Putting resources into preventing problems occurring or getting worse</p>	Fully contributes	

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	Fully contributes	

6. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?

	Describe any positive impacts your proposal has	Describe any negative impacts your proposal has	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Promotes safeguarding	<i>.Safeguarding is about ensuring that everything is in place to promote the well-being of children and vulnerable adults, preventing them from being harmed and protecting those who are at risk of abuse and neglect</i>	
Corporate Parenting	Promotes need of LAC		

7. What evidence and data has informed the development of your proposal?

See PNA introduction

8. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

.The PNA will set out the need of vulnerable groups across Monmouthshire and the regions

9. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible

10. VERSION CONTROL: The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.

Page 145

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
	<i>e.g. budget mandate, DMT, SLT, Scrutiny, Cabinetetc</i>		

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MONMOUTHSHIRE COUNTY COUNCIL REPORT

SUBJECT: SACRE Terms of Reference & Agree Syllabus Conference
MEETING: County Council
DATE: 3rd March 2022
DIVISION/WARDS AFFECTED: N/A

1. PURPOSE:

To consider the composition of the Agreed Syllabus Conference and a revised terms of reference for the SACRE committee.

2. RECOMMENDATION:

That Full Council agree to the recommendations of SACRE as to the formation of the Agreed Syllabus Conference and an updated terms of reference for SACRE.

3. KEY ISSUES:

Agreed Syllabus Conference

Following the implementation of the Curriculum and Assessment (Wales) Act 2021, each local authority must prepare and adopt a syllabus of Religion, Values and Ethics (RVE) for use in all maintained schools and have due regard to guidance given by Welsh Ministers on this matter.

Religion, values, and ethics is a statutory requirement of the Curriculum for Wales and is mandatory for all learners from age 3 to 16. RVE forms part of the Humanities Area. This Area encompasses geography; history; religion, values, and ethics; business studies. These disciplines share many common themes, concepts, and transferable skills, whilst having their own discrete body of knowledge and skills.

The local authority has a legal duty to establish and convene an Agreed Syllabus Conference (ASC) to prepare a syllabus of RVE for adoption by the local authority.

In preparing the RVE syllabus, the ASC must have due regard to Curriculum for Wales (CfW) guidance and in particular, the RVE guidance. In addition, the syllabus must reflect the following points:

- (a) the religious traditions in Wales are in the main Christian while taking account of the teaching and practices of the other principal religions represented in Wales
- (b) a range of non-religious philosophical convictions are held in Wales

(c) the local authority may make different provision in respect of different descriptions of schools maintained by the local authority and different descriptions of learners.

Structure of the Agreed Syllabus Conference

An Agreed Syllabus Conference is a statutory body convened to prepare and recommend or reconsider an agreed syllabus for RVE for the local authority to adopt.

The local authority is responsible for convening the Agreed Syllabus Conference which implies a duty to facilitate, fund and support its work.

The ASC is a separate legal body from a Standing Advisory Council. However, it has the same group structure as the Standing Advisory Councils:

The ASC must:

- have regard to any guidance given by the Welsh Ministers
- ensure that any sub-committees appointed by the conference shall include at least one member of each of the committees constituting the conference
- give one vote only for each of the committees constituting the conference, upon any question to be decided by the conference or by any subcommittee thereof
- seek unanimous agreement upon a syllabus of RVE to be recommended for adoption by the local education authority
- meet in public and be chaired by an appointee of the local authority or be permitted to choose its own Chair.

Membership of the Agreed Syllabus Conference

The ASC is made up of representatives from the following three groups:

- Group A - a group of persons to represent Christian denominations and other religions and denominations of such religions, non-religious philosophical convictions.
- Group B - a group of persons to represent such associations representing teachers as, in the opinion of the authority, ought to be represented, having regard to the circumstances of the area
- Group C - a group of persons to represent the authority. There is no legal provision for an Agreed Syllabus Conference to include co-opted members, but it can seek the advice it considers appropriate from those it considers appropriate, to inform the development of effective RVE provision in its area.

Legislative Changes

In addition to the changes relating to the content of the RVE syllabus within the Curriculum and Assessment (Wales) Act 2021; there are also legislative changes relating to the roles and legal responsibilities of Agreed Syllabus Conferences and Standing Advisory Councils. These are that:

- any agreed syllabus for RVE must reflect both religious beliefs and also non-religious which are philosophical convictions within the meaning of Article 2 Protocol 1 to the European Convention on Human Rights
- provision for the appointment of persons who represent holders of non-religious philosophical convictions is carried out in the same way as the appointment of persons who represent holders of religious beliefs.

Timeline for the Agreed Syllabus Conference and adoption of the Religion, Values and Ethics Syllabus

The locally Agreed RVE syllabus must be implemented in nurseries and primary schools from the 1st of September 2022 and in all year groups and all schools by September 2026.

The following table outlines the proposed timeline for meetings to ensure that the Agreed RVE syllabus is in place in Monmouthshire by the end of May to give schools sufficient time to plan for its implementation from 1st September 2022.

9th March 2022	Agreed representation from SACRE to support the ASC
28th March 2022	Agree Syllabus Conference and workshops
26th April 2022	Draft Agreed RVE Syllabus for discussion in SACRE
19th May 2022	Agreed RVE Syllabus for consideration by full Council
6 th June 2022	Agreed RVE Syllabus circulated to schools

Appointments of Teaching Representatives

At the meeting of SACRE on the 20th of October 2021, the committee discussed the possibility of allowing teacher representatives to be appointed to the committee directly from head teachers rather than through the teaching associations to allow the filling of seats more quickly on the committee.

The terms of reference attached in appendix amends the current terms of reference to allow for appointments to be made directly from headteachers to ensure vacancies on the committee are filled

appropriately. Teaching associations will still be notified of any appointments made through head teachers and can make their own appointments if they wish to do so.

Terms of Reference amendment – Non-Religious Group Representative

In addition to this, the authority has received a request from the Humanist group to allow a representative from a non-religious group to sit on SACRE.

Many authorities received applications from the humanist group in 2018 and amended their terms of reference at that time following guidance from the then Welsh Government Minister which confirmed that they would be entitled to appoint a representative on to the committee. The Monmouthshire terms of reference at that time was not amended to allow for the change.

Subsequently, further legislative changes have taken effect that support the decision of the Minister and as such the Council are required to amend the terms of reference to cater for this change.

The legislation however requires that the committee allow for a representative of a non-religious belief and not specifically from the humanist group. A future meeting of SACRE will need to determine how they should fill that seat once the new terms of reference have been adopted.

The existing terms of reference and amended terms of reference agreed by SACRE on the on the 15th February 2022 is included at appendix 1.

4. OPTIONS APPRAISAL

Do Nothing

Not agreeing to the formation of the agreed syllabus conference will result in the Council not meeting its legal obligations of ensuring an agreed curriculum is in place for the start of the next year school year. Similarly, not agreeing to the amendment of the terms of reference to allow non-religious representatives to be members of SACRE will result in the authority not meeting its legal obligations and being constituted appropriately.

Agree to update the terms of reference & formation of an agreed syllabus conference

Agreeing to the formation of an agreed syllabus conference as well as an updated term of reference to Full Council will ensure the authority is meeting its legal requirements in terms of representation as well allowing the committee to retain its flexibility in how it appoints the correct people to sit on the committee.

5. RESOURCE IMPLICATIONS:

None

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

None

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS:

None.

8. BACKGROUND PAPERS:

Curriculum and Assessment (Wales) Act 2021:

<https://www.legislation.gov.uk/asc/2021/4/schedule/2>

with Education Act 1996:

<https://www.legislation.gov.uk/ukpga/1996/56/schedule/31/enacted>

Summary of legislation for Religion, Values and Ethics:

<https://hwb.gov.wales/curriculum-for-wales/summary-of-legislation#religion,-values-and-ethics>

Summary of legislation for the Agreed Syllabus Guidance 2022:

<https://hwb.gov.wales/curriculum-for-wales/summary-of-legislation#agreed-syllabus-conferences-and-the-agreed-syllabus-for-religion,-values-and-ethics>

Guidance for Religion, Values and Ethics:

<https://hwb.gov.wales/curriculum-for-wales/humanities/designing-your-curriculum#religion,-values-and-ethics-guidance>

9. AUTHOR:

Sharon Randall-Smith, Head of Service: Achievement & Extended Services

Email: sharonrandall-smith@monmouthshire.gov.uk

John Pearson, Local Democracy Manager

Email: johnpearson@monmouthshire.gov.uk

Appendix 1 – Terms of Reference

Current Terms of Reference

3. Composition

SACRE shall consist of representation from:

- Christian denominations and other religions and religious denominations, to broadly reflect the proportionate strength of the denomination in the area. It is recognised that there will be occasions when the interests of efficiency override the requirement for directly proportionate representation.
- Such associations representing teachers as, in the opinion of the authority, ought to be represented; and
- The local education authority.

It may also appoint co-opted members if required although these members have no voting rights.

It is for the LEA to appoint the members of the three groups.

Each group has a single vote on any matter to be decided by SACRE.

Amended Terms of Reference

Composition

SACRE shall consist of representation from:

- Such Christian and other non-religious philosophical convictions as, in the opinion of the authority, will appropriately reflect the principal religious traditions in the area, together with a place for a group who hold non-religious philosophical convictions. It is recognised that there will be occasions when the interests of efficiency override the requirement for directly proportionate representation (13 members)
- Such associations representing teachers as, in the opinion of the authority, ought to be represented or where suitable appointments from associations cannot be made local head teachers are approached to make appointments from schools directly. (7 members)
- The local education authority. It may also appoint co-opted members if required although these members have no voting rights. It is for the LEA to appoint the members of the three groups. Each group has a single vote on any matter to be decided by SACRE. (2 members)

SUBJECT: REPURPOSING SCRUTINY ARRANGEMENTS

MEETING: Council

DATE: 3rd March 2022

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

- 1.1 To seek the approval of Council to restructure the authority's scrutiny arrangements to increase opportunities for public engagement, minimise overlaps and duplication and ensure effective scrutiny of performance, budgets and risks aligned with concurrent changes to the Governance and Audit Committee.

2. RECOMMENDATIONS:

- 2.1 That Council approve: the creation of a new Performance and Overview Scrutiny Committee; the merger of the Children & Young People and Adults Select Committees; the merger of the Economy & Development and Strong Communities Select Committees to create two Policy Scrutiny Committees, and the retention of the Public Services Scrutiny committee.
- 2.2 To maintain the number of special responsibility allowances for Scrutiny Committee chairs, with the Public Services Scrutiny Committee now having a dedicated chair rather than being rotated between the chairs of the other committees.
- 2.2 That the constitution be amended to reflect these changes, to take effect at the next Annual General Meeting in May 2022.

3. KEY ISSUES:

- 3.1 The role of the scrutiny function is to hold the Executive to account for performance and decision-making, to conduct policy development and review and to engage the public in policy development and decision-making.
- 3.2 The current scrutiny arrangements were established in 2009 and have served the council well. Effective pre-decision scrutiny means there have been very few call-ins; live streaming of meetings and the early use of public open forums have promoted transparency and engagement, while regular performance and budget monitoring has enabled scrutineers to hold Cabinet members to account.
- 3.3 Work undertaken by the Democratic Services Committee, before the pandemic, concluded that there was a need to increase public participation in decision-making; increased engagement in pre-decision scrutiny was one way this could be achieved. Select Committee chairs tasked officers with developing a range of options to refresh scrutiny arrangements to create the capacity and structures that would ensure better public engagement, more effective scrutiny of budget and performance monitoring and less duplication, such as officers attending multiple committees to present the same information, which can lead to members sitting on more than one committee receiving the same report multiple times. These are the key drivers for the changes proposed.

- 3.4 While this work was being developed the new Local Government and Elections (Wales) Act 2021 was passed, placing much stronger emphasis on public participation in decision-making and creating a duty to undertake this through engaging the public in the design of policy and the debate of major decisions that will affect them. Developments in live-streaming and the ability for people to send videos and contribute to meetings from their home or workplace serve as a reminder that the conventional public open forum, with residents sitting in the gallery of the council chamber is no longer the most effective way to involve people in the democratic process. Alongside this, changes to the operation of the Governance and Audit Committee present a timely opportunity to refresh the scrutiny of budget monitoring and performance reports to avoid duplication and ensure maximum impact from timely reporting and robust challenge of the Executive.
- 3.5 Future scrutiny arrangements adopted by the Council will need to fulfil a dual role of ensuring transparency and accountability and proactively involving the public in policy and decision-making.
- 3.5 The most recent Scrutiny self-evaluation highlighted the following strengths:
- Streamlined decision-making process - This is largely understood by officers and members.
 - Effective challenge - We can evidence some examples of effective challenge and providing a check and balance to the executive.
 - Effective pre-decision scrutiny - Single item agendas on specific topics have delivered good scrutiny outcomes.
 - Members are a key resource - Members know their communities well and champion their interests, suggesting good relationships/links to their electorate.
- 3.6 It also raised important issues that have been considered in forming these recommendations:
- Skillset and capacity - What are the expectations of members and are they fair? Some members have a natural aptitude for examining budgets and detailed performance monitoring reports, whilst others may be drawn towards exploring the effects of policy and decisions on the public.
 - Adding value - How can the scrutiny function add greater value to decision-making through effective prioritisation of topics and ensuring clear outcomes?
 - Accountability - Whilst there is recognition of the value added by scrutiny of policy and decisions, scrutiny's capacity to effectively 'hold to account' is underdeveloped. There is a need to strengthen scrutiny's ability to challenge service delivery and ensure robust accountability for decisions, budgets and performance.
 - Engaging the public - Does the current scrutiny committee structure provide an effective mechanism of engaging the public in decision-making? Public awareness of the scrutiny function is low and the current approach to engaging the public is not proactive enough. The new duties around participative democracy will not easily be achieved under the existing arrangements, as formal meetings are not an arena that many people feel comfortable participating in. In addition, the subjects being scrutinised are not always particularly interesting or engaging, as evidenced by a low public turnout. The recently implemented Public Open Forum process, which enables contributions to be submitted in video, audio or written format has proven more popular; however, some subjects currently being scrutinised fail to engage the broader public, leading to the same individuals attending meetings to raise issues not on the agenda.
 - Overcrowded agendas - This can lead to a lack of focus. Members and officers have advised that meetings with fewer items on the agenda, particularly single item agendas, have been more productive and delivered clearer outcomes because

scrutiny's involvement has been timely and its role clearly defined. Committees have the greatest impact through careful prioritisation and examination of fewer items in greater detail.

- Forward Planning - The Council's Forward Plan needs to be populated much further in advance and be reflective of priorities in the Corporate Plan and Strategic Risk Register to enable scrutiny to prioritise the right topics.
- Duplication - Certain reports, such as budget monitoring, are presented four times, which can mean accountants attending multiple meetings to talk about the same information. Other areas such as safeguarding straddle Adults and Children's Select Committees, while there are a number of topics that straddle Strong Communities and Economy and Development Select Committees.

3.7 The self-evaluation concluded that scrutiny arrangements should be reviewed to ensure they are fit for purpose and enable members to effectively perform all of the scrutiny roles expected of them in the most efficient and cost-effective way.

3.8 There is no 'one size fits all' scrutiny model that doesn't have its own advantages and disadvantages, however, it is important that structures are designed around the role and purpose of scrutiny, to ensure members can perform the role effectively and to avoid valuable resources, principally member and officer time being expended on a scrutiny function that does not support the Council's priorities. A fit-for-purpose scrutiny function will ensure:

- Strengthened decision-making and informed policy development.
- Effective public engagement on the major issues affecting residents.
- Clear accountability for the Executive and robust challenge by scrutiny.
- Democratic accountability of partnership activity and collaborative service delivery to local people.
- The creation of structures that help to align members with the roles that best match their skillset.
- A more involved and evidenced role in the Well-being of Future Generations, through identifying the potential impacts of decisions before they are made.

3.9 A full options appraisal has been undertaken and is attached as Appendix 1. The preferred option being proposed to members is listed as Option 1. This provides four skills-based 'Scrutiny Committees' which would replace the existing thematic 'Select Committees', the key focus being to match the skillset and expertise of members with the role and purpose of the scrutiny committees and proposes:

- Two 'Policy' Scrutiny Committees, which would engage the public in policy development and pre-decision scrutiny through debating key topics affecting residents. One of the committees would focus on the issues affecting adults and children and the other committee would focus on the environment, the economy and the physical county. The public engagement could be conducted via a range of media: informal meetings and conversations with stakeholders, public attendance at a scrutiny committee meeting, audio, video and written contributions on subjects being debated at the committees.
- The recommendation allows for the creation of a stand-alone Performance and Overview Scrutiny Committee comprising members who enjoy interrogating figures, data and analysing risk. This committee would be tasked with holding the Executive to account for its performance on all subjects, the premise being that the relevant skills are key to members' effectiveness in this role, as opposed to requiring a detailed knowledge of a particular service area.

- The Public Services Select Committee has recently extended its terms of reference to scrutinise the work of partnerships to ensure value for money and to hold partners to account for services and decisions delivered in collaboration that affect Monmouthshire residents. It is proposed that this scrutiny committee would have responsibility for Crime and Disorder Scrutiny in line with the Police and Justice Act (2006) and Welsh Government Guidance published in 2010 given its partnership focus. The committee would attract a special responsibility allowance rather than being rotated between the other chairs meaning the total number of SRAs would remain at four and be allocated, as now, according to political balance.
- The scrutiny workshops which engage members on shaping policy at the earliest opportunity would remain in place, having demonstrated clear outcomes on a variety of subjects. This would allow members who do not sit on the hosting Scrutiny Committee to lend their expertise as a witness or to simply participate in scrutiny activity. These could invite external witnesses and stakeholders when required.

3.10 Audit Wales advise that changes to scrutiny committee structures should ensure that roles are clear, and time is given to the matters that are considered the most important. The model being proposed offers a more streamlined approach to delivering effective scrutiny, providing clear roles for members, rather than confining scrutiny within the limitations of thematic scrutiny committees. New role profiles for scrutiny committee chairs and committee members will be produced along with new terms of reference for the committees, and discussions will be held with group leaders to ensure new councillors can be matched to the positions most suited to their skills and interests. This model retains the flexibility for scrutiny of cross-cutting subjects; however, it provides a more holistic approach by enabling members to scrutinise key issues beyond traditional Council boundaries.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

4.1 The Local Government and Elections (Wales) Act 2021 (Section 39) places the duty on the scrutiny function to encourage local people to participate in decision making and to outline its arrangements for fulfilling this duty in a Public Participation Strategy. Participation in scrutiny committees should enable the direct experiences of people to inform strategic thinking and operational practice. The proposal outlined in this report has been fully assessed in terms of meeting Equality, Well-being of Future Generations, Social Justice, Safeguarding and Corporate Parenting considerations.

4.2 The proposal to restructure the current scrutiny arrangements is underpinned by new duties placed on the scrutiny function, particularly relating to engaging the public in the design of policies and decision-making. The proposals aim to support people from all backgrounds and protected characteristics to shape their communities and improve services delivered by the council and partners. There are no identified negative impacts, only positive impacts, in terms of better reflecting the public voice, ensuring decisions are more considered and identifying the implications on the public in advance of decisions being made. The ability to contribute via the Welsh Language is a key consideration to take forward and the need to target those who may be less confident in expressing their views.

5. OPTIONS APPRAISAL

5.1 Councils differ widely in terms of scrutiny arrangements, some councils opting for the minimum requirement of one single committee, whilst others have 8 overview and scrutiny Committees, 'boards', 'panels', or 'forums' in operation (further information is available on request). Scrutiny committee arrangements have tended to follow structures that most

closely align with the former 'committee system' and are considered the least radical approach in the establishment of new political management arrangements in 2000. The options appraisal does not present all possible options, but a selection of the most appropriate:

Option 1 (Preferred)	4 Role-based committees: 2 Policy Scrutiny Committees 1 Performance Scrutiny Committee 1 Partnership Committee
Option 2 (Current position)	5 Thematic Cross-cutting Select Committees Strong Communities Select Committee Economy and Development Select Committee Children and Young People Select Committee Adults Select Committee Public Services Select Committee
Option 3	A Single Scrutiny Committee
Option 4	Directorate-based Committees Social Care and Health Children and Young People Enterprise Resources People and Governance
Option 5	The Halfway Option: 2 Committees 1 Overview and Scrutiny Committee 1 Performance Committee

5.2 The full options appraisal is shown as appendix 1 of the report.

6. EVALUATION CRITERIA

6.1 If the Council agrees to change the existing scrutiny committee structure, the effectiveness of the changes implemented will be judged through the next Scrutiny-Self Evaluation after a two-year period. The criteria used to judge the efficacy will be the 'Characteristics of Good Scrutiny', which is a peer reviewed self-evaluation model endorsed by the National Scrutiny Officers Network, recognised and supported by Audit Wales as an effective benchmark of effective scrutiny arrangements.

7. REASONS:

7.1 New duties have been placed on the scrutiny function to engage with the public ahead of decisions being made and to engage service users in the design of new policies. The current scrutiny arrangements were appropriate when established, however, scrutiny is about to enter a radically different arena and delivering the additional responsibilities effectively will prove highly challenging within the current Select Committee structure. The proposal would enable the views of the public to be proactively sought, as opposed to relying on them to engage with the scrutiny function.

8. RESOURCE IMPLICATIONS:

There are no direct resource implications for the preferred option proposed, in that it does not propose an increase or reduction in the Special Responsibility Allowance for Scrutiny Chairs which would continue to be appointed on political balance.

9. CONSULTEES:

Scrutiny Chairs Group
Strategic Leadership Team
Cabinet

A Members Seminar was also held to share the proposals and gather feedback.

10. BACKGROUND PAPERS:

None

11. AUTHOR:

Hazel Ilett, Scrutiny Manager

12. CONTACT DETAILS:

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Options Appraisal

Option	Advantages	Disadvantages
<p>Option 1</p> <p>Preferred Model</p> <p>4 Role based committees:</p> <p>2 Policy Scrutiny Committees</p> <p>1 Performance Scrutiny Committee</p> <p>1 Partnership Committee</p>	<ul style="list-style-type: none"> • 2 policy committees would focus on debating proposals and seeking public input, aligning members' interest and skillset with the roles they are best suited for - acknowledging some members have greater interest in their 'representational role' and others have an aptitude for scrutinising detail. The model would enable members to debate a wider range of subjects of interest to the public than under the current model. • The Performance and Overview Scrutiny Committee would home detailed performance reporting, budget monitoring and risk reporting and would play a key role in holding the Executive to account. A stand-alone committee to perform this role will raise scrutiny's profile and increase member challenge. Supported by appropriate training, members will further develop their skills in analysing information and cross-examining witnesses. • The newly established 'Public Services' Committee would retain its current terms of reference but also undertake Crime and Disorder Scrutiny. • The role-based committee model will assist members in choosing which Committee to join, helping to ensure that membership is interest-based, which may alleviate potential issues relating to member attendance and commitment. • No loss of Special Responsibility Allowance ~ the Public Services Committee would have parity with the other committees with an SRA, rather than being chaired by rotation. • The model would be outward-looking but would still provide for all the key functions of scrutiny and would satisfy regulators in terms of fitness for purpose. • This model would enable more effective use of member and officer 	<ul style="list-style-type: none"> • Whilst 2 policy committees will facilitate focussed agenda management and better prioritisation of issues being scrutinised, this will result in fewer topics routinely being brought to scrutiny, the removal of 'repeat reports', 'reports to be noted' and any matters without a clear 'scrutiny purpose'. Routine performance reporting for all services would be scrutinised by the Performance and Overview Scrutiny Committee, with exception performance reports for services where issues have been identified • Members may feel they have a reduced overview of subject areas, due to the removal of thematic committees, given that education and social services performance reporting and financial reporting would sit under the remit of the Performance and Overview Scrutiny Committee. The question is whether it is knowledge of service area that enables robust scrutiny or application of a skillset that matches the role requirements of a committee. It could be argued that the nature of the subject matter being discussed should be immaterial to the quality of the scrutiny if members possess the appropriate scrutiny skills. • Officers may also feel that the 'home for reports' is less clear and that their accountability is spread across different committees, depending on whether the topic is a policy issue or they are being held to account for their performance. Thematic committees have afforded a level of comfort for both officers and members by 'housing' services under remits that have not changed for a long period of time, and at times, the role of the scrutiny activity is unclear, which

	<p>time, avoiding some of the current duplication/cross cutting between 4 committees, with the 2 policy committees being able to meet jointly when appropriate.</p> <ul style="list-style-type: none"> • Scrutiny Workshops, which have proven far more effective than Task and Finish Groups, would continue to engage members at an early stage on topics that align to the Council's strategic direction. This would ensure the time and energy of members and officers are focussed on activities that deliver outcomes and add value. • The new Public Open Forum that has enabled contributions from the public via audio, video and written submission in addition to public attendance would be embedded within the two Policy Scrutiny Committees and supplemented by proactive engagement with service users. • Meetings of the 2 policy committees could be 6-weekly with a maximum of 2 items per agenda. The Performance and Scrutiny Committee could meet quarterly and the Public Services Scrutiny Committee 6 weekly. • Changes to scrutiny structures can be aligned to changes to the Governance and Audit Committee to avoid duplication of role. • Member training and development would be focussed on the roles and skills required for each committee. • Parent governor and Church representatives in relation to Education matters could formally sit on the Performance and Overview Scrutiny Committee and be invited to attend the policy scrutiny committees as and when education matters are to be considered, which would avoid inefficient use of their time in attending meetings when their input is not required. An education forward work programme could be compiled to coordinate education items and education performance information across the three committees. 	<p>leads to poor outcomes. This automatic channelling of reports to scrutiny committees by subject matter would be replaced with consideration of purpose, which would pose some complexities for some Officers initially.</p> <ul style="list-style-type: none"> • Educational 'co-optees' may find it more difficult to 'follow' the scrutiny of education through the new system.
Option 2	<ul style="list-style-type: none"> • The arrangements are well understood by officers and members 	<ul style="list-style-type: none"> • A siloed approach, where council services are allocated within

<p>Do nothing</p> <p>4 Thematic Cross-cutting Select Committees</p> <p>(with unchanged remits)</p>	<p>and topics can be easily identified for scrutiny by a particular committee. This provides a level of comfort that substantial decisions are less likely to 'slip through the net', however it supports a more general assumption that there should be oversight of everything – which has proven impractical.</p> <ul style="list-style-type: none"> • Retain the 4 SRA's • Cross-cutting committees can enable the scrutiny of broader topics and facilitate scrutiny committees to take a more rounded view of policies and performance. It increases their capacity to look for 'gaps' in service delivery/performance through examining topics from an issue-based perspective rather than a service-based perspective. • The committees are largely aligned with the Community Strategy or Corporate Plan priorities, which does help link scrutiny portfolios to corporate objectives, so it could be argued that scrutiny work programmes are more likely to be aligned with corporate priorities. It also enables them to focus on performance linked to the authority's key priorities. 	<p>themes as opposed to focussing on issues and problems in communities. The model is relatively inward-looking, given that many topics of interest and relevance to the public are complex and multi-faceted, dependant on a range of different services being provided by a range of partners.</p> <ul style="list-style-type: none"> • Role and purpose could remain blurred on occasions, leading to poor scrutiny outcomes and a perception of scrutiny not adding value to the Council's decision-making process. • There's a risk that accountability for performance could be potentially blurred/confused as the scrutiny committee structure doesn't align with cabinet portfolios and/or service area structures. Cabinet Members/Senior Officers are regularly required to give account for performance to several different committees. • Continued duplication in workstreams ~ budget monitoring being undertaken by 4 committees, Chief Officer Social Services reports being taken to 2 scrutiny committees, other service-related matters being discussed by 2 or more committees at different times, with officers possibly not present at meetings where subjects arise due to duplication leaving members feeling dissatisfied because they don't have the full picture. • The new responsibilities afforded to scrutiny to proactively engage the public in decision-making will be difficult to accomplish for 4 Select Committees operating under the existing structure: time to perform this role effectively would be the key issue, given the existing scrutiny workload.
<p>Option 3</p> <p>The Single Scrutiny</p>	<ul style="list-style-type: none"> • No confusion about role and responsibility as it would rest with the single committee, which would scrutinise performance/finance, 	<ul style="list-style-type: none"> • The single committee would monitor the progress of Task and Finish Groups and hold them to 'account' for progress/outcomes.

<p>Committee Model</p>	<p>commission Task and Finish Groups or Sub-panels to investigate issues in more detail and be responsible for dealing with call-ins and acting as the Crime and Disorder Scrutiny Committee.</p> <ul style="list-style-type: none"> • Scrutiny would be able to focus and prioritise its limited resources on risks and performance on a corporate-wide basis leaving Task and Finish Groups to conduct scrutiny on chosen topics. • Fewer resources devoted to administration/servicing of formal committee meetings. • Membership of Task and Finish Groups would be drawn from entire non-executive membership of the Council, potentially allowing members with expertise/interest to sit on specific panels. 	<p>This would place significant workload on members leading those groups for which they wouldn't receive any SRA.</p> <ul style="list-style-type: none"> • The workload for the single committee would be vast and it would be very difficult to prioritise effectively. Many issues would not receive attention and that the remit of the single committee could simply be too broad. • There would be a significant tendency for the work of sub-panels and Task and Finish Groups to drift and achieve poor outcomes, leading to a low scrutiny profile. Task and Finish Groups have performed too slowly to add value in the past, leading to missing the boat in terms of their impact. • Reducing the number of committees could lead to concern by some members that things are 'falling between the cracks' and this could be the case, unless members were to be properly engaged in prioritising their workload. • There could be concerns that some members would feel 'disenfranchised' if they were not able to sit on a formal scrutiny committee.
<p>Option 4 4 Directorate based Committees</p>	<ul style="list-style-type: none"> • Clear lines of accountability for Cabinet members and services to scrutiny where their portfolios are aligned with those of scrutiny committees. 	<ul style="list-style-type: none"> • 'Cross-cutting' issues are not adequately addressed through directorate based scrutiny committees could contribute to any perceived 'silos'. • The model would be inward looking, failing to hold partners to account for services delivered to Monmouthshire residents. • The model would fail to deliver effective public engagement on the key issues, as required by the new public engagement duty.



Integrated Impact Assessment document

(incorporating Equalities, Future Generations, Welsh Language and Socio-Economic Duty)

Name of the Officer completing the evaluation Hazel Ilett E-mail: Hazelilett@monmouthshire.gov.uk	Please give a brief description of the aims of the proposal To review the Council's Scrutiny Arrangements and to propose alternative arrangements to meet new responsibilities around public participation in decision-making.
Name of Service area Scrutiny	Date 3 rd March 2022

1. Are your proposals going to affect any people or groups of people with protected characteristics?			
Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age Page 163	<p>There is currently relatively little public participation in the council's decision-making processes from people of any age. This may be due to a lack of awareness of how to become involved or due to the subjects under discussion not being regarded to be interesting or relevant to the public.</p> <p>New duties have been placed on the scrutiny function to engage with the public ahead of decisions being made and to engage service users in the design of new policies. Engaging the public in this way is vital to ensure that the council provides the right services in the right way. Input from a range of stakeholders can assist members in understanding the complexities and can help the Council to make more informed and evidenced-based decisions.</p>	<p>None envisaged.</p>	<p>The current approach to public engagement is to provide mechanisms for public involvement, such as the Public Open Forum and the ability to suggest topics for future scrutiny. We have had public engagement on several topics, particularly where there have been major effects on residents, however, our approach has been reactive. The new duty requires us to be far more proactive in engaging people of all ages.</p> <p>We have recently implemented a new Public Open Forum process, whereby the public can submit their views in writing, or via an audio file or via a video, as well as through attending a scrutiny meeting. Whilst there aren't any negative impacts identified by the proposals being put</p>

	A repurposing of the scrutiny arrangements to dedicate 2 committees to debating policy and decisions where there are significant implications for the public is favoured. The proposal would enable the views of the public to be proactively sought, as opposed to relying on the public to engage with the scrutiny process. This would have a positive impact on the age characteristic, in that stakeholders could be targeted to ensure they have a voice.		forward, the ability to contribute via a range of different ways should mitigate public hesitancy to engage and should positively encourage both younger people and older people to contribute their views on subjects affecting them.
Disability	The proposal should positively impact on this characteristic, because people who receive services from the council could offer their views on how to improve services. Experts and stakeholders could be invited to give evidence to the scrutiny committees. If the council can better understand how decisions will affect people, then better decisions should be made.	In the past, events may have been held at unsuitable venues, so consideration will need to be given to the individual circumstances of people.	The various methods of contributing to the scrutiny process explained above will help people who may not be able to attend a meeting in person. If a meeting is to be held in-person, consideration needs to be given to the suitability of the venue and if it is known that there are accessibility issues and participants find it easier to engage virtually, then to accommodate this in the primary instance.
Gender reassignment	The proposal should positively impact through enabling people to offer their views on policies and decisions that may affect them.	None envisaged.	The various methods of contributing to the scrutiny process may encourage people who may not want to attend a meeting in person.
Marriage or civil partnership	The proposal should positively impact through enabling people to offer their views on policies and decisions that may affect them.	None envisaged.	The various methods of contributing to the scrutiny process may encourage people who may not want to attend a meeting in person.
Pregnancy or maternity	The proposal should positively impact through enabling people to offer their views on policies and decisions that may affect them.	None envisaged.	The various methods of contributing to the scrutiny process will help people who may not be able to attend a meeting in person.

Race	The proposal will positively impact this characteristic, because the scrutiny committee could target underrepresented groups to hear their views when debating policy and decisions where there are likely to be implications for different ethnicity groups.	None identified.	The various methods of contributing to the scrutiny process may encourage people who may not want to attend a meeting in person.
Religion or Belief	The proposal should positively impact through enabling people to offer their views on policies and decisions that may affect them.	None envisaged.	The various methods of contributing to the scrutiny process may encourage people who may not want to attend a meeting in person.
Sex	The proposal should positively impact through enabling people to offer their views on policies and decisions that may affect them.	None envisaged.	The various methods of contributing to the scrutiny process may encourage people who may not want to attend a meeting in person.
Sexual Orientation	The proposal should positively impact through enabling people to offer their views on policies and decisions that may affect them.	None envisaged.	The various methods of contributing to the scrutiny process may encourage people who may not want to attend a meeting in person.

2. The Socio-economic Duty and Social Justice

The Socio-economic Duty requires public bodies to have due regard to the need to reduce inequalities of outcome which result from socio-economic disadvantage when taking key decisions This duty aligns with our commitment as an authority to Social Justice.

Socio-economic Duty and Social Justice	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
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	<p>There are positive impacts on the socio-economic duty and social justice considerations of implementing a new scrutiny structure. By dedicating 2 policy committees to considering the effects of decisions on people, it is hoped that the council would make more informed, sounder decisions. This has particular relevance whereby a single council policy may have a limited impact on a person, but together with other council policies, there could be a negative cumulative effect. The restructure would enable more robust consideration of the impacts of policies and decisions on people who may be suffering poverty and hardship, which may be exacerbated by other factors.</p>	<p>None identified.</p>	<p>The various methods of contributing to the scrutiny process may encourage people who may not want to attend a meeting in person.</p>
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3. Policy making and the Welsh language			
How does your proposal impact on the following aspects of the Council's Welsh Language Standards?	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts.
Policy Making Effects on the use of the Welsh language, Promoting Welsh language Treating the Welsh language, no less favourably	There would be a positive impact for the Welsh language because people would be able to provide their views on any topic in Welsh or English. Also, in considering policy and decisions, the committees could identify any specific considerations relating to Welsh language, such as ensuring information and advice is provided bilingually.	None identified.	We would need to use a translator, but there is the opportunity for people to offer their views to the scrutiny process via any of the formats in either Welsh or English.
Operational Recruitment & Training of workforce	Not directly applicable.	None identified, except that translation services would be required.	We would need to use a translator, but there is the opportunity for people to offer their views to the scrutiny process via any of the formats in either Welsh or English.
Service delivery Use of Welsh language in service delivery. Promoting the use of the language.	There are positive impacts for Welsh language, in that people could be signposted via the Welsh version of the Scrutiny Website to the Public Open Forum where they would be invited to submit their views in Welsh if they wish.	None identified.	We would need to use a translator, but there is the opportunity for people to offer their views to the scrutiny process via any of the formats in either Welsh or English.
4. Does your proposal deliver any of the well-being goals below?			
Well-Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?	
A prosperous Wales	The proposal positively supports this goal, through the committees being able to review policies holistically and make informed	There are various opportunities to contribute to the scrutiny process via the public open forum which is inclusive and accessible to all.	

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Efficient use of resources, skilled, educated people, generates wealth, provides jobs	recommendations based on evidence received from the public.	
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	As above.	As above.
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	As above.	As above.
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	As above.	As above.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	As above.	As above.
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	As above.	As above.
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The new scrutiny structure would redress some of the imbalances in public engagement in decision-making, whereby some people feel reluctant or are unable to share their views.	The various means of contributing are accessible to all and do not require people to attend formal meetings which some people may find daunting.

DSD 10010

5. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The proposal is a long-term proposal which will enable more considered decision-making, through taking into account the effects of policies and decisions on people, applying the Future Generations Scrutiny Evaluation to test decisions and policies in advance of decision-making.</p>	<p>This will require the Council to adopt a longer-term planning approach for its decision-making, to allow time for the necessary consultation on major decisions and to enable public engagement before decisions are made. This will be a positive impact in that decisions should be more informed and better underpinned by evidence.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The proposal provides for a Public Services Scrutiny Committee which will hold partners to account for services delivered to Monmouthshire residents. This will ensure that objectives are met by partners and that high quality services are provided to the public.</p>	<p>To develop a forward work programme based on major services delivered in collaboration and to hold partners to account for the quality of service delivery.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>This proposal will positively impact on involvement in decision-making by hearing the public voice and reflecting their views to the Executive when taking decisions that will affect the public. The scrutiny process can be a vehicle for public involvement in policy design and decision-making.</p>	<p>No additional actions.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The proposal has a positive impact, in that the scrutiny committee could highlight instances whereby policy or decisions are negatively impacting upon people and can provide opportunities to consider how improvements could be made.</p>	<p>No additional actions.</p>



Integration

Considering impact on all wellbeing goals together and on other bodies

The proposal will support an integrated approach. By enabling scrutiny committees to consider topics holistically, rather than through the silo lens of the existing committee remits. By taking a topic and considering the effects on the public at large, this can avoid decision-making being siloed. It will enable cumulative impacts to be more easily identified, particularly relating to fulfilling the Council's socio-economic duty and considering social justice for all people.

No additional actions.

6. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?

Describe any positive impacts your proposal has	Describe any negative impacts your proposal has	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	This proposal positively impacts on safeguarding, in that the new Performance and Overview Scrutiny Committee would have a primary role to hold the Executive to account for safeguarding procedures and practice.	None identified.
Corporate Parenting	As above ~ it is proposed that this committee would undertake this role.	None identified.
		Regular reporting would be scheduled to this committee, which would be comprised of elected members with skills in interrogating data performance. As above.

7. What evidence and data has informed the development of your proposal?

The Scrutiny Self-Evaluation completed in December 2018 made clear recommendations to improve scrutiny practice and one of those was to consider whether the existing scrutiny arrangements would be fit for purpose in the future. The recent legislative changes (The Local Government and Elections (Wales) Act 2021, sections 39-41) have placed specific responsibilities on scrutiny functions not only to advise the public of their activities, but to engage the public in decision-making to a far greater extent than previously. The new duty needs to be taken seriously and is what has led to the conclusion that an alternative scrutiny model would be more fit for purpose in undertaking new responsibilities.

8. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

The proposal to restructure the current scrutiny arrangements is underpinned by new duties placed on the scrutiny function, particularly relating to engaging the public in the design of policies and decision-making. There are no identified negative impacts, only positive impacts, in terms of better reflecting the public voice, ensuring decisions are more considered and identifying the implications on the public in advance of decisions being made. The ability to contribute via the Welsh Language is a key consideration to take forward and the need to target those who may be less confident in expressing their views.

9. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible
Discuss Welsh Language Resources with colleagues and ensure the appropriate bi-lingual documentation promotes the ability to contribute in the Welsh Language.	If the proposals are taken forward.	The Scrutiny Manager.

10. VERSION CONTROL: The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision-making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
171	Council	3 rd March 2022	

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SUBJECT: WELSH LANGUAGE STRATEGY 2022-27

MEETING: COUNTY COUNCIL

DATE: 3rd MARCH 2021

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 To seek approval of the Welsh Language Strategy for 2022 – 2027, which has been produced in line with the requirements of the Welsh Language (Wales) Measure 2011 and describes our ambition to increase the number of Welsh speakers in the county in line with the Welsh Government ambition for a million Welsh speakers by 2050.

2. RECOMMENDATIONS:

- 2.1 That Council approve the strategy which is a legal requirement under The Welsh Language (Wales) Measure 2011.

3. KEY ISSUES:

- 3.1 Monmouthshire is the gateway to Wales. The Welsh language is an important part of the culture and heritage of our place and importantly it's also a growing language, we've seen a significant rise in the number of people speaking the language over the past thirty years. We want to build on that growth with our next five-year strategy, harnessing the enthusiasm of local people towards the language and ensuring that it continues to thrive, benefitting residents and visitors to this special corner of Wales now and for generations to come.
- 3.2 This is our second Welsh Language Strategy and builds on the positive progress made over the past five years. The action plan for the period 2017-22 has been scrutinised regularly by the Strong Communities Select Committee as part of the Annual Monitoring Report.
- 3.3 The new strategy establishes four objectives that will help realise our ambitions and contains an action plan setting out how these will be delivered. The objectives are:
- Increase the number of children who are educated through the medium of Welsh.
 - Provide more opportunities for adults to learn and use the language.
 - Increase the number of opportunities for the public to interact with public services delivered through the medium of Welsh.
 - Work with partners to create of more social opportunities for people to use the language in everyday life.
- 3.4 This strategy is closely linked to our Welsh in Education Strategic Plan (WESP) 2022-32 which has been scrutinised by the Children and Young Peoples Select Committee. Some

of the performance measures have been shared to ensure a consistency of approach and to ease performance monitoring,

- 3.5 We are committed to ensure that Monmouthshire plays its part and is having a positive impact towards achieving the Welsh Government's ambitious strategy of having a million Welsh speakers by 2050. These two strategies have given added impetus to the targets set out in this strategy.
- 3.6 This strategy is a challenging one, but is achievable with the appropriate level of planning, commitment and support from our officers, our partners in the Council's Welsh Language Forum, other Welsh Language organisations and of course the residents of Monmouthshire.

4. REASONS:

To deliver the Council's ambition to grow the Welsh language in Monmouthshire and to meet our statutory responsibility to produce a 5 Year Welsh Language Strategy 2022-27 under the Welsh Language (Wales) Measure 2011.

5 EVALUATION CRITERIA

- 5.1 Progress with the strategy will be evaluated in the Annual Welsh Language Monitoring Report which will be scrutinised by the Strong Communities Select Committee. This will assess progress against the action plan.

6. RESOURCE IMPLICATIONS:

- 6.1 There are no specific resource implications attached to the strategy. However, a pressure has been included within the 2022-23 budget to increase capacity in Equalities and Welsh language to strengthen our response to the standards and ensure we can deliver our commitment to delivering the aspirations of the strategy. Some commitments in the strategy may require specific decisions from Cabinet or Council at a future date and the financial implications of these will be considered at that point.

7. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

There are no significant equality impacts identified and this strategy is designed to have positive impacts on the Welsh Language.

8. CONSULTEES:

- 8.1 Strategic Leadership Team
Cabinet
Strong Communities Select Committee

The strategy was also the subject of a formal public consultation that ran between the 13th of December 2021 and the 30th of January 2022. Responses were generally supportive of the aims of the strategy with 74% of respondents agreeing or strongly agreeing compared with 17% who disagreed or strongly disagreed. A higher proportion of respondents were supportive of the specific objectives.

The following organisations were also invited to respond: Menter Iaith Blaenau Gwent Torfaen Mynwy (MIBGTM), the Urdd, Mudiad Meithrin, Ysgol Gymraeg Y Fenni, Ysgol Gymraeg Y Ffin, Ysgol Gyfun Gwynllyw and Ysgol Gyfun Gwent Is Coed, Rhieni Dros Addysg Gymraeg (RHAG).

9. BACKGROUND PAPERS:

Monmouthshire County Council's Welsh Language Standards

10. AUTHOR:

Alan Burkitt Policy Officer Equalities and Welsh Language

11. CONTACT DETAILS:

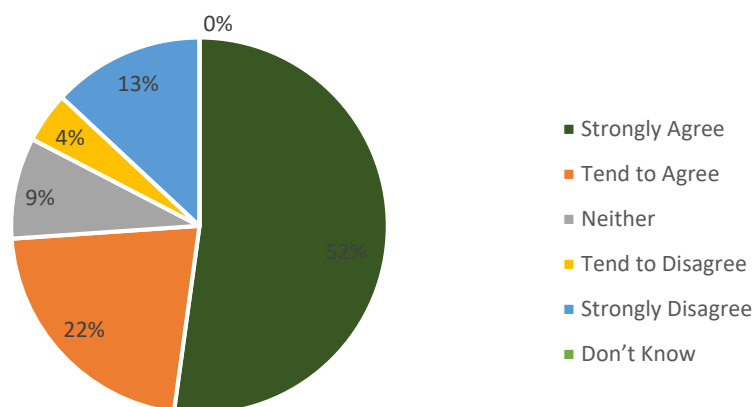
Tel: 01633 644010

E-mail: alanburkitt@monmouthshire.gov.uk

Welsh Language Strategy 2022-27 Summary of Consultation Responses

Listed below are some of the questions that we asked in our public consultation that ran from the 13th December until the 30th January along with charts indicating whether people agreed or disagreed with our stated ambition and aims.

Do you agree with the aims of our 5 Year Strategy for Monmouthshire?

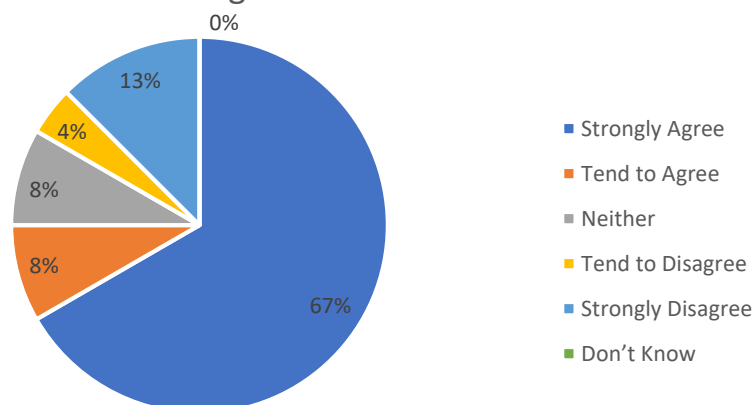


Comments included:

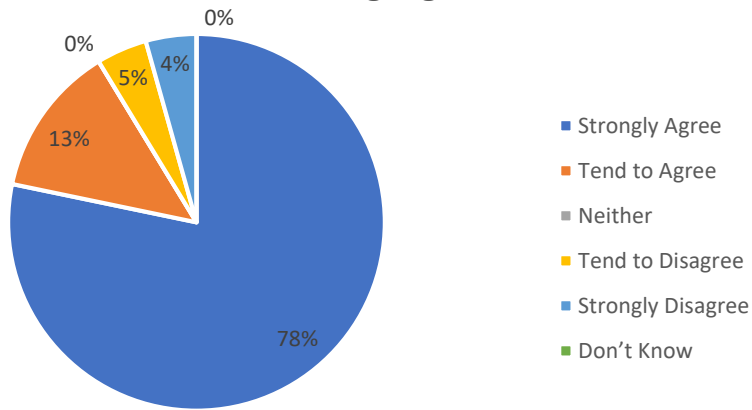
- I agree strongly but think that Monmouthshire could be more ambitious
- Great to see that the council support more leisure activities and services through the medium of Welsh...very important that the strategy is monitored and evaluated
- It would be lovely to hear more Welsh spoken 'in the street' and in the shops in Monmouthshire.
- There is no need to constantly try to force Welsh on people. There is no practical benefit to Welsh outside of Wales.

We also asked people whether they agreed or disagreed with each of the four objectives:

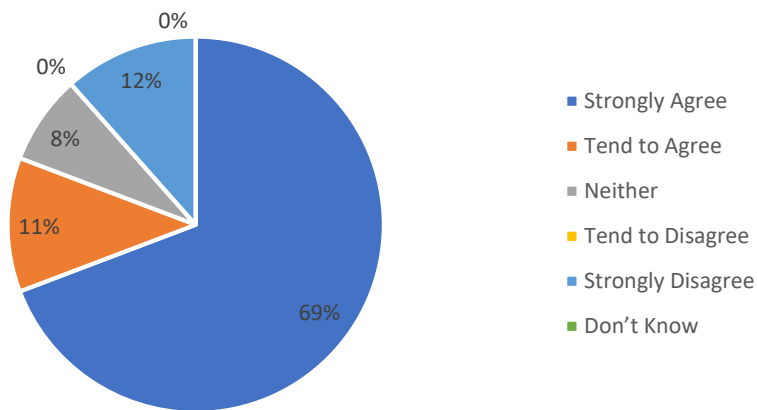
Increase the number of children who are educated through the medium of Welsh



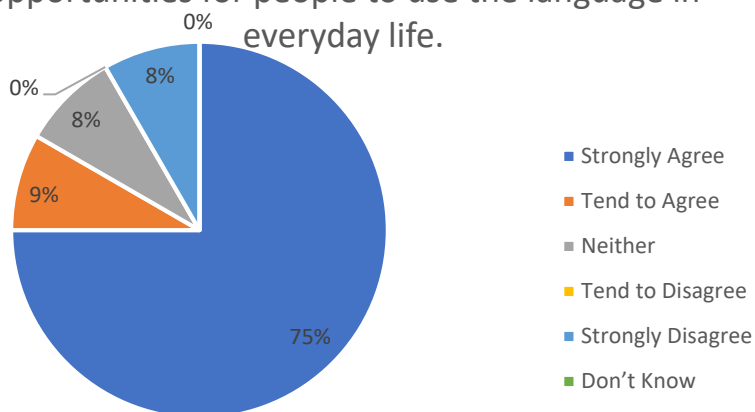
Provide more opportunities for adults to learn and use the language



Increase the number of opportunities for the public to interact with public services delivered through the medium of Welsh



Work with partners to create of more social opportunities for people to use the language in everyday life.



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Integrated Impact Assessment document (incorporating Equalities, Future Generations, Welsh Language and Socio Economic Duty)

<p>Name of the Officer: Alan Burkitt</p> <p>Phone no:01633 644010 E-mail:alanburkitt@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>This strategy sets out the council's vision for the Welsh Language in Monmouthshire over the next 5 years (2022 – 2027) The overall aim is to increase the number of children and adults that speak Welsh and to increase the opportunities for people to access council services and be able to learn and speak the language in the county.</p>
<p>Name of Service area</p> <p>Equality and Welsh Language</p>	<p>Date 16th February 2022</p>

Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	<ul style="list-style-type: none"> • This strategy in conjunction with the Welsh in Education Strategic Plan 2022 – 2032 will provide substantially enhanced opportunities for children to be educated through the medium of Welsh and will have a positive impact on the already vibrant Welsh for Adults provision. • Members of the public will have more opportunities to access services from the council through the medium of Welsh. • Finally, working in partnership we aim to provide more opportunities for people the both learn and use the language socially. 	N/A	N/A
Disability	The opportunities in the strategy are available to all across the protected characteristics.	N/A	N/A
Gender reassignment	The opportunities in the strategy are available to all across the protected characteristics	N/A	N/A

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Marriage or civil partnership	The opportunities in the strategy are available to all across the protected characteristics.	N/A	N/A
Pregnancy or maternity	The opportunities in the strategy are available to all across the protected characteristics.	N/A	N/A
Race	The opportunities in the strategy are available to all across the protected characteristics.	N/A	N/A
Religion or Belief	The opportunities in the strategy are available to all across the protected characteristics.	N/A	N/A
Sex	The opportunities in the strategy are available to all across the protected characteristics.	N/A	N/A
Sexual Orientation	The opportunities in the strategy are available to all across the protected characteristics.	N/A	N/A

Page 181

2. The Socio-economic Duty and Social Justice

The Socio-economic Duty requires public bodies to have due regard to the need to reduce inequalities of outcome which result from socio-economic disadvantage when taking key decisions This duty aligns with our commitment as an authority to Social Justice.

	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Socio-economic Duty and Social Justice	N/A	N/A	N/A

3. Policy making and the Welsh language.

How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<p>Policy Making</p> <p>Effects on the use of the Welsh language,</p> <p>Promoting Welsh language</p> <p>Treating the Welsh language no less favourably</p>	<p>This strategy will provide substantially enhanced opportunities for children to be educated through the medium of Welsh and will also have a positive impact on the already vibrant Welsh for Adults provision.</p> <p>If the council achieves the aims set out in this strategy then it will be contributing towards the aims of Welsh Government – 1 million Welsh speakers by 2050</p>	<p>N/A</p>	<p>N/A</p>
<p>Operational</p> <p>Recruitment & Training of workforce</p>	<p>As a result of this strategy and its ambitions, the council will need to ensure that it appoints fluent Welsh speakers in key public facing roles in order to provide a service of equal quality and standing as that already provided in English. This is a key driver in the Welsh Language (Wales) Measure 2011</p>	<p>N/A</p>	<p>Existing risks are as follows:</p> <ul style="list-style-type: none"> managers failing to identify roles as Welsh Essential When vacancies are advertised as Welsh Desirable, managers not including Welsh Language skills in the person specification thereby those skills are not included as a part of the shortlist scoring criteria. Also if the skills are recognized, managers must consider them equally compared to





			other skills required to fulfill the role.
Service delivery Use of Welsh language in service delivery Promoting use of the language	Increased numbers of Welsh speakers will allow the council to provide services through the medium of Welsh. Promotion of this will enable Welsh speakers to access services through the medium of Welsh as required by the Welsh Language (Wales) Measure 2011.	N/A	As above, we as a council have many Welsh speakers applying for vacancies and it is essential that managers are aware of applicants having these skills that would be a real asset to their service area.


4. Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal. There's no need to put something in every box if it is not relevant!

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Welsh speakers and learners from both inside and outside of Monmouthshire will be able to apply for posts that enable them to make the most of their language skills and provide a Welsh Language service to the Welsh speaking population of Monmouthshire.	N/A
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and	N/A	N/A

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
can adapt to change (e.g. climate change)		
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	N/A	N/A
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	N/A	N/A
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	N/A	N/A
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	This strategy will give more people (both children and adults) the opportunity to learn Welsh and also enable Welsh speakers to have services delivered through the medium of Welsh including recreational opportunities.	N/A
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The opportunity to learn the language is available to all if they have the desire and commitment to do so.	N/A

5. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>This is a 5 year strategy but has been developed taking into consideration the 1 million speakers by 2050 commitment of Welsh Govt and the Wellbeing of Future Generations Act</p>	<p>N/A</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>Other local authority colleagues, internal officers, elected members, the Menter Iaith and Urdd will be key partners in the delivery of this strategy.</p>	<p>N/A</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The strategy has been the subject of an extensive consultation with interested parties and a number of observations and questions have been raised and include in an appendix to this strategy.</p>	<p>N/A</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>This strategy has the aim of allowing us to comply with a number of the Welsh Language Standards which we have a statutory obligation to adhere to.</p>	<p>N/A</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p data-bbox="349 256 521 520">Considering impact on all wellbeing goals together and on other bodies</p>	N/A	N/A

6. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?

	Describe any positive impacts your proposal has	Describe any negative impacts your proposal has	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	N/A	N/A	N/A
Corporate Parenting	N/A	N/A	N/A

7. What evidence and data has informed the development of your proposal?

Census 2011
 Welsh Government Annual Population Surveys 2016 - 2021
 Welsh Medium Education data
 Welsh Language (Wales) Measure 2011.
 MCC staff training data 2016-2017
 MCC staff language skills database 2016-2017
 Welsh Education Strategic Plan 2022- 2032

8. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

The Strategy will have a positive effect on the development of the Welsh Language over the next 5 years. This strategy and its accompanying action plan will be reviewed and reported upon to the Welsh Language Commissioner on an annual basis by the 30th June on a statutory basis.

9. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible
This strategy will be monitored on an annual basis to check whether the targets are being met or are at risk of failure	Every April from 2023 - 2027	Equality and Welsh Language Officer and colleagues

10. VERSION CONTROL: The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.

Page 189

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	This Strategy will be ratified by Council on the 3 rd March 2022	3 rd March 2022	

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SUBJECT:	STANDARDS COMMITTEE INDEPENDENT MEMBERS
MEETING:	COUNCIL 3 MAR 22
DATE OF REPORT:	9 Feb 22
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE

- 1.1 This report seeks Council approval for 1 new appointment to the Standards Committee.

2. RECOMMENDATIONS

- 2.1 Council is requested to approve the appointment of Mrs Marion Gibson to the Standards Committee.

3. KEY ISSUES

- 3.1 MCC's Constitution Part 2 Article 11 reflects the regulations regarding Standards Committees set out in Statutory Instrument 2001 No. 2283 (W.172) The Standards Committees (Wales) Regulations 2001.
- 3.2 The regulations provide that a Standards Committee comprise between 5 and 9 members and that at least half be independent members. There are currently 6 members of MCC's Standards Committee: 2 County Councillors, 1 Town/Community Councillor and 3 Independent Members.
- 3.3 One new independent member is to be appointed in order to continue to operate the Committee at the numbers it has always utilised, in order that quorum of no less than 50% independent members can be maintained. The appointments must be ratified by Full Council.
- 3.4 An advertising campaign was run starting in November 2021 to appoint two independent members in accordance with the stipulations of the regulations. The response was encouraging and the Committee wish to convey their thanks to all applicants. However, of those interviewed, the committee appointed one of the applicants.
- 3.5 An interview was conducted on 28th January by a panel comprising of one current independent member, a community council representative, a County Council representative, and a lay person. Mrs Marion Gibson was selected and has passed subsequent reference checks.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION

- 4.1 A correctly constituted Standards Committee is a legal requirement and fundamental to the governance of local government. The criteria demanded a high calibre individual to fill each post, but there will be no bar to selection based upon any other criteria or protected characteristic.

5. RESOURCE IMPLICATIONS

- 5.1 From May 2022, Independent members will be entitled to a fee of £210 for 4 hours and over and £105 for up to 4 hours and travel and subsistence payments as appropriate. The Chair of the committee (elected annually) will receive a fee of £268 and £134 respectively. This appointment and those remuneration changes have no additional resource implication on the existing budget.

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SUBJECT: PUBLICATION OF PAY POLICY STATEMENT AS REQUIRED BY THE LOCALISM ACT

MEETING: Council

DATE: 3 March 2022

1. PURPOSE:

To approve the publication of Monmouthshire County Council's Pay Policy, in compliance with the Localism Act.

2. RECOMMENDATIONS:

That Council approves the Pay Policy for the year 1st April 2022 to 31st March 2023.

3. KEY ISSUES:

1. That Council approves to pay the nationally negotiated and agreed pay award of the Joint National Council (JNC) for Local Authority Chief Executive Officers. Chief Executive Officer terms and conditions of employment and pay are prescribed by the JNC for Local Authority Chief Executive Officers. The individual basic salaries of all officers within the scope of the JNC for Chief Executives of Local Authorities increased by 1.5% with effect from 1 April 2021. The pay agreement covers the period 1 April 2021 to 31 March 2022.
2. That Council approves to pay the nationally negotiated and agreed pay award for those employees who come under the Joint National Council (JNC) for Chief Officers. Chief Officers' terms and conditions of employment and pay are prescribed by the JNC for Local Authority Chief Officers. The individual basic salaries of all officers within the scope of JNC for Chief Officers of Local Authorities increased by 1.5% with effect from 1 April 2021. The pay agreement covers the period 1 April 2021 to 31 March 2022.

The Council employs Chief Officers under JNC terms and conditions, which are incorporated into contracts of employment. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award is determined on this basis. Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this Council will therefore pay these as and when determined in accordance with contractual requirements.

3. Monmouthshire County Council recognises the need to have a clear written policy on pay and reward for employees. A policy provides a framework to ensure that employees are rewarded fairly, objectively and without discrimination.
4. The 2022-23 Pay Policy includes the following:
 - Information in relation to pay bands (and salary information) which apply as at 1 April 2021 for the Chief Executive Officer, Chief Officers and Local Government Employees (LGE). This information will be updated as and when the pay award in relation to local government employees (for the period covering 1 April 2021 to 31 March 2022) is confirmed.

Monmouthshire County Council's grading structure has 13 grades with 5 increments in ten of the grades, 3 increments in two of the grades and 4 increments in one of the grades. Grades span across Spinal Column Points (SCP) 1- 51.

- Updated information in relation to the pension contributions - effective 1 April 2021
5. The policy is underpinned by the Single Status Agreement signed as a collective agreement with the Trades Unions on 2nd December 2010 and other nationally agreed terms and conditions for employees of the Council.
 6. This is the eleventh publication of the policy.
 7. Should the Council at any time decide that it does not wish to implement the nationally negotiated & agreed JNC and NJC (National Joint Council) pay increases, the Pay Policy Statement would need to be amended again to reflect the decisions, which are taken by Full Council

4. OPTIONS APPRAISAL

There is a statutory requirement to produce and publish an annual pay policy statement.

5. EVALUATION CRITERIA

An evaluation assessment is provided at the end of this document.

6. REASONS:

The Council has a statutory requirement under s.38 of the Localism Act 2011 to prepare a pay policy statement on an annual basis. The statement needs to be in place by 31st March each year. The proposed Pay Policy will ensure compliance with this legislation.

7. RESOURCE IMPLICATIONS:

Those officers employed under Chief Officers' terms and conditions of employment receive national pay awards, irrespective of any pay awards to the Chief Executive Officer.

The pay award for 2021/22 for Chief Executive Officers is confirmed as 1.5% and the pay award for Chief Officers is confirmed as 1.5% (effective 1 April 2021). The pay award for Local Government Employees (LGE) is expected to be 2.75% for SCP1 and 1.75% for SCP2 and above, for the period covering 1 April 2021 to 31 March 2022.

The Council's budget includes the cost of its employees and for the current 2021/22 financial year forecasts are prepared on the basis of known and anticipated pay awards. The Council's final budget proposals for 2022/23 are predicated on a pay award assumption of 3.5% for the 2022/23 financial year for non-school staff. Schools are being funded for all pay and pension related spending pressures, up to a threshold of a 3% pay award.

There is a requirement to disclose in the Council's Statement of Accounts details of employee benefits. Further disclosure required outlines details of senior officer remuneration in respect of Chief Officers' posts, the number of employees whose remuneration was £60,000 or more, and termination benefits resulting from redundancies, settlement agreements or associated pension strain costs.

Monmouthshire County Council introduced the Real Living Wage in April 2014 in line with the rate set by the Living Wage Foundation. The Council wishes to maintain its commitment to the Real Living Wage.

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

The Wellbeing and Future Generations and Equality Impact Assessment is attached.

9. CONSULTEES:

Chief Executive
Deputy Chief Executive and Chief Officer, Resources (& Section 151 Officer)
Chief Officer, People & Governance & Monitoring Officer
UNISON
GMB

10. BACKGROUND PAPERS:

None

11. AUTHOR:

Sally Thomas - HR Manager

CONTACT DETAILS:

Tel: 07900 651564

E-mail: sallythomas@monmouthshire.gov.uk

Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

Title of Report:	Pay Policy
Date:	January 2022
Report Author:	Sally Thomas

What will happen as a result of this decision being approved by Cabinet or Council?

All employees of the County Council will be paid in accordance with the information set out in the annual Pay Policy Statement

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?

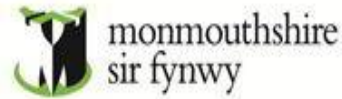
All employees of the County Council will be paid in accordance with the information set out in the Pay Policy Statement

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?

Council budget accounts for pay awards to employees as part of budget monitoring and forecasting procedures.

Any other comments

Statutory requirement to produce and publish an annual Pay Policy Statement



MONMOUTHSHIRE COUNTY COUNCIL PAY POLICY 2022

1. INTRODUCTION

The purpose of a Pay Policy Statement is to increase accountability in relation to payments made to senior employees in the public sector by enabling public scrutiny. Monmouthshire County Council recognises that in the context of managing scarce public resources remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or excessive.

The publication of a Pay Policy supports Monmouthshire County Council's values of openness and fairness. This policy aims to ensure that all employees are rewarded fairly and without discrimination for the work that they do. It will reflect fairness and equality of opportunity and encourage and enable employees to perform to the best of their ability, operating within a transparent pay and grading structure.

Monmouthshire County Council recognises that pay is not the only means of rewarding and supporting employees and it offers a wider range of benefits, e.g. flexible working, access to learning, and a wide range of family friendly policies and workplace benefits. It is important that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market.

In particular, it is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment where often national and local pressures conflict.

Monmouthshire County Council's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during these times of financial challenge is crucial.

2. LEGISLATION

Under Section 112 of the Local Government Act 1972, the Council has the 'power to appoint officers on such reasonable terms and conditions as the authority thinks fit'. This Pay Policy statement sets out the Council's approach to pay policy in accordance with the requirements of section 38 of the Localism Act 2011.

The Localism Act requires local authorities to develop and make public their pay policy on all aspects of Chief Officers remuneration (including when they cease to hold office), and that of the 'lowest paid' in the local authority. It also explains the relationship between the remuneration for Chief Officer and other groups of employees. The Act and supporting guidance provides details of matters that must be included in this statutory

pay policy, but also emphasises that each local authority has the autonomy to take its own decisions on pay.

The Pay Policy must be approved formally by Council by the end of March each year, but can be amended in year, and must be published on the Monmouthshire County Council's website and must be complied with when setting the terms and conditions for Chief Officers and employees.

In determining the pay and remuneration of all its employees, Monmouthshire County Council will comply with all relevant legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Agency Workers Regulations 2010 and where relevant the Transfer of Undertakings (Protection of Earnings) Regulations (TUPE). With regard to the Equal Pay requirements contained within the Equality Act, the Council ensures that all arrangements can be objectively justified through the use of job evaluation techniques.

In its application, this policy seeks to ensure that there is no discrimination against employees either directly or indirectly on grounds prohibited by the Equality Act 2010 which covers age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation This policy is inclusive of partners of the opposite or same sex.

3. SCOPE AND DEFINITIONS

This Pay Policy includes-

- The level of remuneration for Chief Officers
- The remuneration of the lowest paid employees
- The relationship between the remuneration of Chief Officers and other officers
- Other specific aspects of Chief Officers' remuneration, fees and charges, and other discretionary payments.

The Localism Act 2011 defines '**Chief Officers**' as being -

The Head of Paid Service. This is the Chief Executive Officer.

Statutory Chief Officers. In Monmouthshire County Council these are the-

- Chief Officer, Children and Young People
- Chief Officer, Social Care and Health
- Deputy Chief Executive and Chief Officer, Resources (incorporating statutory Section 151 Officer role)
- Chief Officer, People & Governance & Monitoring Officer

Non-statutory Chief Officers – These are non-statutory posts that report directly to the Head of Paid Service. In Monmouthshire County Council these are the-

- Chief Officer, Enterprise
- Head of Policy & Scrutiny (incorporating statutory Head of Democracy role)
- Chief Operating Officer, MON-LIFE

Deputy Chief Officers – These are officers that report directly to statutory or non-statutory Chief Officers and are listed below.

In addition to the above statutory and non-statutory chief officers, posts on Chief Officers' terms and conditions in Monmouthshire County Council are -

- Head of Achievement & Attainment
- Head of Place-making, Housing, Highways & Flood
- Head of Enterprise & Community Animation
- Head of Commercial, Property, Fleet & Facilities
- Head of Finance
- Head of Information, Security & Technology
- Chief Information Security Officer
- Head of Public Protection
- Head of Planning
- Head of Adult Services
- Head of Children's Services
- Head of Strategic Projects (Fixed Term post)
- Head of Neighbourhood Services
- Head of Business Transformation (post-holder currently seconded to CCR)

Senior Leadership Team.

In Monmouthshire County Council, our Senior Leadership Team consists of:

Chief Executive

Deputy Chief Executive and Chief Officer, Resources (& Section 151 Officer)

Chief Officer, Children & Young People

Chief Officer, Enterprise

Chief Officer, Social Care & Health

Chief Officer, People & Governance & Monitoring Officer

Head of Policy & Scrutiny (& Head of Democracy)

Gender make-up: 5 male; 2 female

The Localism Act 2011 requires the Council to define its 'lowest paid employee' within our pay policy statement. Within Monmouthshire County Council our lowest paid employees are those paid in accordance with the Real Living Wage.

The Localism Act 2011 defines remuneration as 'salary, bonuses, charges, fees or allowances payable, any benefits in kind, increase or enhancement of pension entitlement. This definition is adopted for the term "pay" used in this policy.

4. PAY INFORMATION – PAY RANGES FOR NJC (NATIONAL JOINT COUNCIL) 'GREEN BOOK' EMPLOYEES

All National Joint Council (NJC) 'Green Book' positions within Monmouthshire County Council have been subject to a job evaluation (JE) process using the Greater London Provincial Council (GLPC) scheme back dated to 1 April 2009 following the signing of a collective (SINGLE STATUS) agreement with UNISON and GMB on 2 December, 2010.

Monmouthshire County Council has linked the scores from the job evaluation results directly to the NJC pay structure.

Monmouthshire County Council's grading structure has 13 grades with 5 increments in ten of the grades, 3 increments in two of the grades and 4 increments in one of the grades. Grades span across SCP 1- 51 with associated salaries from £17,842 (SCP 1) to £55,195 (SCP 51). More information about the GLPC and the grades can be found in the Council's SINGLE STATUS Collective Agreement.

Apprentices

As of 1 April 2021, the Council implemented an Apprenticeship pay structure which aligns with the Council's minimum rates of pay and ensure appropriate and consistent rate of pay across all apprentice roles regardless of the qualification framework.

5. PAY INFORMATION – CHIEF EXECUTIVE OFFICER ON CHIEF EXECUTIVE TERMS AND CONDITIONS

The Chief Executive is the Head of Paid Service who is appointed by Council. The chief executive is selected on merit, against objective criteria following a public advertisement and works closely with Elected Members to deliver the aims of the local authority. The local authority is responsible for a wide range of services, employing approximately 3,800 employees.

The salary for the Chief Executive Officer is a local grade established following an analysis of the degree of responsibility in the role and market rates at the time the post was last advertised (2009) and approved by Council. The salary for the Chief Executive is £121,754 (effective 1 April 2021). The individual basic salaries of all officers within the scope of the JNC for Chief Executives of Local Authorities increased by 1.5% with effect from 1 April 2021. This pay agreement covers the period 1 April 2021 to 31 March 2022.

There are no additional bonus, performance, honoraria or ex gratia payments. The salary is subject to nationally agreed pay rises for JNC for local authority Chief Executive Officers. In Monmouthshire County Council, the role of the Electoral Registration Officer and Returning Officer is held by the Chief Executive. The fee for parliamentary, European Union, Welsh Government, Police and Crime Commissioner Elections and all referenda are set by legislation. Local Authorities have the discretion to set the fee for local elections. In the Council, the fee for local elections is set in line with the fee agreed for the Welsh Government elections.

The Independent Remuneration Panel for Wales (IRP)

Local Government (Democracy) (Wales) Act 2013 amended the Local Government (Wales) Measure 2011 by inserting Section 143A. This requires that any principal Council or fire and rescue authority that intends to change the salary of its Head of Paid Service must consult the Independent Remuneration Panel for Wales (IRP), unless the change is in keeping with changes applied to other officers. Section 143A also enables the IRP to take a view on anything in the Pay Policy Statement of a local authority that relates to the salary of the Head of Paid Service.

6. PAY INFORMATION – CHIEF OFFICERS & HEADS OF SERVICE ON CHIEF OFFICER TERMS AND CONDITIONS

Monmouthshire County Council employs Chief Officers under Joint National Council (JNC) for chief officers' terms and conditions, which are incorporated in their contracts. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises, and this Council will therefore pay these as and when determined in accordance with contractual requirements. The individual basic salaries of all officers within the scope of JNC for Chief Officers of Local Authorities increased by 1.5% with effect from 1 April 2021. The pay agreement covers the period 1 April 2021 to 31 March 2022. All current salaries within this range are as follows (effective 1 April 2021):-

POST	RANGE	SALARY
Chief Executive	N/A	£121,754
Deputy Chief Executive & Chief Officer, Resources (& Section 151 Officer)	Band A+ Points 1-3	£93,142 £94,384 £95,626
Chief Officer, Children & Young People (CYP) Chief Officer, Enterprise Chief Officer, Social Care & Health (SCH) Chief Officer, People & Governance (& Monitoring Officer)	Band A: Points 1 – 4	£85,691 £86,932 £88,174 £89,416
Head of Finance Head of Strategic Projects (Fixed Term) Head of Adult Services Head of Children's Services Chief Operating Officer, MONLIFE Head of Enterprise & Community Animation Head of Place-making, Housing, Highways & Flood Head of Commercial, Property, Fleet & Facilities Head of Neighbourhood Services	Band B: Points 1 – 4	£74,514 £75,755 £76,997 £78,239
Head of Public Protection	Band C: Points 1 – 4	£63,957 £66,441

Head of Achievement & Attainment		£68,925
Head of Policy & Scrutiny (& Head of Democracy)		£71,409
Head of Information, Security & Technology		
Head of Planning	Band D:	£57,127
Chief Information Security Officer	Points 1-3	£59,611
		£62,095

There are no other additional elements of remuneration in respect of overtime, flexi-time, bank holiday working, stand-by payments etc., paid to these senior employees, as they are expected to undertake duties outside their contractual hours and working patterns without additional payments. There is no performance related pay and no bonuses. As an equal opportunity employer all posts are advertised.

Posts at Chief Officer and Heads of Service level are employed on JNC Chief Officer terms and conditions. Chief Officers and Heads of Service whose grades offer incremental progression must achieve at least a 'satisfactory' judgement in their annual appraisal process to advance to the next incremental point within grade.

Monmouthshire County Council publishes pay details for Chief Officers on the website. The information can be found in the 'Statement of Accounts.'

Monmouthshire County Council is the 'host' local authority for the employment of the Cardiff Capital Region City Deal – Programme Director. This appointment is on a permanent basis on a salary of £118,554 per annum (effective 1 April 2021), on JNC chief officer terms and conditions of employment. This post is being hosted by Monmouthshire County Council on behalf of the City Deal Partnership and is wholly funded by the City Deal Partnership. Under the Local Authorities (Standing Orders) (Wales) Regulations 2006, as amended in 2014, this post has been reported and approved by Council and has been the subject of a referral to the Independent Remuneration Panel.

7. PAY INFORMATION – EMPLOYEES ON 'GREEN BOOK' TERMS AND CONDITIONS REFERRED TO AS "OPERATIONAL MANAGERS"

Operational Managers are those who fall within the definition of Deputy Chief Officer but who are paid on NJC (National Joint Council) terms and conditions rather than Chief Officers' terms and conditions. Their salaries span from Grades I – M, with the lowest being SCP 31 (£34,728) and the highest being SCP 51 (£55,195). These salary amounts are effective 1 April 2020. We await confirmation of the pay award covering the period 1 April 2021 to 31 March 2022.

8. PAY INFORMATION – EMPLOYEES OTHER THAN ‘GREEN BOOK’ AND CHIEF OFFICERS

Monmouthshire County Council also has employees on other national terms and conditions, i.e. JNC Soul bury and Teacher terms and conditions. Pay for these groups of employees is based on the relevant nationally agreed rates of pay.

National Pay Grades – Soulbury Committee. The Soulbury Committee has its own pay scales and includes the following groups of employees:

- Educational Inspectors and Advisers
- Educational Psychologists

In addition to the annual pay increase, the Soulbury Committee determines the national salary framework. The Council will pay future pay rises as and when determined in accordance with contractual requirements

Teachers’ Pay Policy – the Teachers pay Policy provides a framework for making decisions on Teachers’ pay. It has been developed to comply with the requirements of the School Teachers’ Pay and Conditions Document (STPCD) and has been the subject of consultation with teaching trade unions. A model Policy is provided to all schools each year with a recommendation from the Council that the Governing Body adopt it and publishes it on the school’s website.

9. INCREMENTAL PROGRESSION

For employees on NJC (National Joint Council) terms and conditions of employment, the ‘Green Book’, incremental progression is automatic. Increments are normally awarded on 1 April each year. Where Chief Officers and Heads of Service have incremental pay grades, progression is normally on 1 April each year.

10. RECRUITMENT - SALARY ON APPOINTMENT

Recruiting & retaining our most talented colleagues is important to us.

The Council achieves fair selection through transparent, equitable and non-discriminatory policies and practices that enable the fair treatment of applicants as well as demonstrating a broader commitment to the principles of safeguarding and equality and diversity.

In line with our Recruitment & Selection (Safer Recruitment) Policy, jobs are advertised on the agreed grade/range for that particular job. Information regarding the minimum and maximum pay is provided in the advertisement. In practice, most appointments are made at the bottom of the grade range. However, there is discretion to appoint at a higher point on the range. This would normally only apply if there is a need to match a candidate’s current level of pay.

11. PAY REVIEW – ALL EMPLOYEES

All pay is reviewed in line with the national pay awards negotiated for the cost of living increases when these occur.

12. MARKET SUPPLEMENTS

It is recognised that there will be exceptional occasions where the market rate for certain key jobs is higher than that provided for by the new pay and grading structure. In these circumstances, the grading of the post will be reviewed in accordance with the Market Forces Policy.

13. ADDITIONAL PAYMENTS – NJC (National Joint Council) ‘GREEN BOOK’ EMPLOYEES

Additional payments are made to this employee group as detailed in Monmouthshire County Council’s SINGLE STATUS Agreement. The types of additional payments made include-

- Weekend Working payments are made for Saturday (time and a quarter) and Sunday (time and a half).
- Bank Holiday – Paid at double time or plain time plus a day off in lieu.
- Night Workers – Employees who work night shifts between the hours of 10.00 pm and 6.00 am are paid time and a third.
- Overtime can be paid for employees who are requested to work in excess of 37 hours and who are paid on NJC Bands A to F.

Examples of other payments that could be made are first aid allowance, and relocation payments. MCC does not reimburse the payment of professional registration or subscription fees, for any employee/group of employees.

14. ADDITIONAL PAYMENTS

- Travel - business mileage incurred by an employee is refunded at the HMRC rate, in line with our Travel & Reimbursement Policy.
- Relocation – Monmouthshire County Council may provide financial assistance to new recruits as part of the employment package under the terms of our Relocation Policy.
- Returning Officer Fees – the appointment of Electoral Registration Officer is required by S8 of the Representation of the People Act 1983 and the appointment of Returning officer by S35 of the Representation of the People Act 1983.
- In Monmouthshire County Council, the role of the Electoral Registration Officer and Returning Officer is held by the Chief Executive Officer. The fee for parliamentary, European Union, Welsh Government, Police and Crime Commissioner Elections and all referenda are set by legislation. Local Authorities have the discretion to set the fee for local elections. In the Council the fee for local elections is set in line with the fee agreed for the Welsh Government elections.

15. HONORARIA AND ACTING UP PAYMENTS

Monmouthshire County Council has a policy for an additional payment to be made where an employee acts up into a post at a higher level of pay or where they undertake

additional duties on a temporary basis. The Honoraria Policy is applicable to all employees (except teaching employees).

16. MULTIPLIERS

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Local Authority's workforce.

The multiples of pay for Monmouthshire County Council are as follows-

- Multiple between lowest paid FTE employee and CEO is 7:1 (same as previous year)
- Multiple between lowest paid FTE employee and average chief officer is 4:1 (same as previous year)
- Multiple between the median FTE employee and CEO is 5:1 (same as previous year)
- Multiple between the median FTE employee and the average chief officer is 3:1 (same as previous year)

17. PAYMENTS/CHARGES AND CONTRIBUTIONS

All Monmouthshire County Council employees (except teachers) are entitled to join the local government pension scheme (LGPS) which is offered by the Local Government Employers. If employees are eligible they will automatically become a member of the scheme under the auto enrolment provisions (to join they must have a contract for at least 3 months duration and be under the age of 75).

Employees can decide to opt out of the scheme within one month of auto enrolment. The benefits and contributions payable under the pension fund are set out in the LGPS regulations. All employees who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table:

Local Government Pension Scheme deduction percentages (01/04/2021)

Pensionable Pay Banding	Main Section	50/50 Section
Up to £14,600	5.5%	2.75%
£14,601 to £22,800	5.8%	2.9%
£22,801 to £37,100	6.5%	3.25%
£37,101 to £46,900	6.8%	3.4%
£46,901 to £65,600	8.5%	4.25%
£65,601 to £93,000	9.9%	4.95%
£93,001 to £109,500	10.5%	5.25%
£109,501 to £164,200	11.4%	5.7%
£164,201 or more	12.5%	6.25%

18. DISCRETIONARY PAYMENTS

The policy for the award of any discretionary payments is the same for all employees regardless of their pay level. The following arrangement applies for redundancy payments under regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

- Payment of an overall lump sum of 1.7 times the statutory redundancy payment multiplier based on actual weeks' pay up to a limit of Spinal Column Point 43. This is payable to employees (not those on teaching terms and conditions of employment) made redundant with 2 or more years local government service regardless of their age, subject to them being eligible to join the pension scheme. This is in accordance with our (corporate) Protection of Employment Policy.
- Monmouthshire County Council introduced the real Living Wage (RLW) in April 2014. Monmouthshire County Council isn't accredited for the Living Wage, and it is optional for it to apply any Living Wage pay increases when they arise.

19. DECISION MAKING

Making or confirming the appointment of the Head of Paid Service and other Chief Officers is a function of Council.

Details of exit payments will be approved by the relevant Chief Officer (and Chief Executive for settlement agreements) in consultation with the Cabinet Member and must have robust business cases justifying departure & representing value for money. Any exit payment in excess of £95,000 will be reported to full Council.

20. REVIEW OF THE POLICY

This Pay Policy outlines the current position in respect of pay and reward within the Council and it will be reviewed over the next year to ensure it meets the principles of fairness, equality, accountability and value for money for the citizens of Monmouthshire. The Policy will be reviewed annually and reported to Council in line with the requirement of the Localism Act 2011. In November 2021, Welsh Government published guidance 'Pay Accountability within Local Government'. When reviewing the Pay Policy for 2022/23, much of the guidance has been taken into consideration.

Any further necessary amendments, prior to the next annual review and following implementation of the new provisions referred to within the Local Government and Elections (Wales) Act 2021, as set out within the body of this policy can be undertaken under permitted powers pursuant to section 39 of the Localism Act 2011.

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Public Document Pack Agenda Item 9

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of County Council held
at County Hall, Usk - Remote Attendance on Thursday, 27th January, 2022 at 2.00 pm**

PRESENT: County Councillor M.Feakins (Chairman)
County Councillor A. Webb (Vice Chairman)

County Councillors: D. Batrouni, J.Becker, D. Blakebrough, L.Brown, A.Davies, L.Dymock, A. Easson, C.Edwards, R. Edwards, D. Evans, P.A. Fox, M.Groucutt, L. Guppy, R. Harris, J. Higginson, G. Howard, S. Howarth, R.John, D. Jones, P. Jones, S. Jones, S.B. Jones, P. Jordan, M.Lane, P. Murphy, P.Pavia, M. Powell, J.Pratt, R.Roden, V. Smith, B. Strong, F. Taylor, T.Thomas, J.Treharne, J.Watkins, A. Watts and S. Woodhouse

OFFICERS IN ATTENDANCE:

Matt Phillips	Chief Officer People and Governance and Monitoring Officer
Paul Matthews	Chief Executive
Alan Burkitt	Policy Officer Equalities and Welsh Language
Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Jane Rodgers	Chief Officer for Social Care, Safeguarding and Health
Will McLean	Chief Officer for Children and Young People
John Pearson	Local Democracy Manager
Nicola Perry	Senior Democracy Officer
Frances O'Brien	Chief Officer, Enterprise
Matthew Gatehouse	Head of Policy and Governance
Mark Hand	Head of Place-making, Housing, Highways and Flood

APOLOGIES:

County Councillors R.J.W. Greenland, L.Jones and K. Williams

1. Declarations of interest

County Councillor Dimitri Batrouni declared a personal, prejudicial interest in relation to 7.3 as this involves discussion on an issue that comes under the remit of his employment.

2. Public Questions

None.

3. Chairman's announcement and receipt of petitions

The Chairman opened the meeting and reflected on Holocaust Memorial Day, and also the passing of dear friend and colleague, County Councillor Peter Clarke.

Members of Council expressed sadness and condolences and took the opportunity to share memories of County Councillor Clarke. A period of silence followed.

Petitions presented:

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held at County Hall, Usk - Remote Attendance on Thursday, 27th January, 2022 at 2.00 pm

County Councillor Dimitri Batrouni presented a petition on behalf of Chepstow and Bulwark residents in relation to the lack of consultation on the closure of Chepstow High Street.

County Councillor Debby Blakebrough presented a petition on behalf of residents North Community in the Trellech United ward. The petition sought a reduction of speed limit, to below the 60mph national limit.

4. Reports to Council:

4.1. COUNCIL TAX REDUCTION SCHEME 2022/23

The Cabinet Member for Resources introduced the report to present arrangements for the implementation of the Council Tax Reduction Scheme and to approve it for 2022/23

Council was asked to agree to adopt the amendments to the Regulations, proposed by Welsh Government, as detailed in point 3.7 and affirm that annual uprating amendments will be carried out each year without a requirement to adopt the whole Council Tax Reduction Scheme.

Upon being put to the vote Council resolved to accept the recommendations:

To note the making of the Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations ("the Prescribed Requirements Regulations") 2013 by the Welsh Government on 26 November 2013.

To adopt the provisions within the Regulations above ("the Prescribed Requirements Regulations") and any 'annual uprating regulations' in respect of its Scheme for the financial year 2022/23 including the discretionary elements previously approved as the Council's local scheme from 1 st April 2022.

5. IMPLEMENTING THE SOUTH EAST WALES CORPORATE JOINT COMMITTEE

The Leader of the Council presented the report to set out an interim governance and delivery model sufficient to implement the statutory requirements for establishment of the South-East Wales Corporate Joint Committee (CJC). The report sought to set out the 'twin-track' approach to operating the Cardiff Capital Region (CCR) City Deal alongside the initial 'bare minimum' phase of CJC mobilisation ahead of the SE Wales CJC setting its first statutory budget on 31 January 2022.

Council was appraised of the next phases of progress in line with resolving the current barriers to full implementation of an integrated 'lift and shift' approach which seeks to eventually, bring together the CCR City Deal and the CJC into one coherent model of regional economic governance.

Members encouraged updates on the City Deal, and the Leader was urged to ensure Members were involved as decision makers.

Reassurance was sought over the governance of the committee, and the Chief Executive Officer explained that scrutiny is still in a formative stage, but there would be a regional scrutiny function.

Upon being put to a vote Council resolved to accept the recommendation:

That Council

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of County Council held
at County Hall, Usk - Remote Attendance on Thursday, 27th January, 2022 at 2.00 pm**

Notes the interim governance and delivery model for implementation of the SE Wales Corporate Joint Committee and the 'twin track' arrangements proposed across operation of CCR City Deal, alongside initial enactment of a 'bare minimum' CJC – and until such time the proposed 'lift and shift' approach can occur

Notes the requirement for the CJC to set and approve a budget on or before 31 January 2022 and the steps set out in the report to enable this

Notes the risks and issues set out in the report which require ongoing monitoring, mitigation and management

Notes the request made by CCR of WG to amend the CJC regulations to change the date on which immediate duties commence under the Regulations from 28 February 2022 to 30 June 2022

Notes the draft Standing Orders at Appendix 1 which set out the initial requirements and operating model for the CJC as well as initial business for the inaugural meeting on 31 January 2022

Notes the work ongoing by CCR and its constituent Councils to work with WG, Audit Wales and advisors as appropriate, to help inform resolution of the remaining issues wherever possible.

Supports the Leader of the Council in his duty to consider and set the first budget of the SE Wales CJC on 31 January 2022 in order to ensure the Council is complying with the legislation as required.

6. RESPONDING TO INSUFFICIENCIES WITHIN THE PROVIDER MARKET FOR CHILDREN AND YOUNG PEOPLE WITH COMPLEX NEEDS

The Cabinet Member for Social Care, Safeguarding and Health presented the report to set out a proposal that allows Council to respond flexibly and promptly to emergency situations that arise to safeguard children and young people with very complex needs when there are no available 'looked after child' placements within the provider market.

The Cabinet Member for Resources considered the proposal an effective use of resources.

The Cabinet Member for Social Care, Safeguarding and Health assured Members that in-house accommodation would ensure children and young people have access to their families, friends and education.

It was expressed that the role of Corporate Parent should ensure that no child is forgotten, even if placed out the County. Care must be taken to ensure that young people are well looked after.

The Chief Officer explained that some children are placed out of County as it is in keeping with their individual needs. Numbers could be provided following the meeting.

Upon being put to a vote Council resolved to accept the recommendations:

Council agrees to establish £2m borrowing headroom to enable specific property acquisition and remodelling to take place and where the Council is unable to identify suitable supply in the provider market for children and young people with very complex needs.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held
at County Hall, Usk - Remote Attendance on Thursday, 27th January, 2022 at 2.00 pm

The Chief Officer Social Care and Health's delegated power to "secure" accommodation for children looked after, when necessary, includes the ability to purchase appropriate property or land following an appropriate business case and consultation with the Cabinet Member for Social Care, Safeguarding and Health. 2.2 Delegated authority is given to the Deputy Chief Executive / Chief Officer for Resources (as S151 officer of the Council), in consultation with the Cabinet Member for Resources, to consider business cases that look to draw on the borrowing headroom for the stated purpose.

The Council continues to work in partnership with Welsh Government, the Aneurin Bevan Health Board, Registered Social Landlords and other Local Authorities, such as to secure funding and/or suitable alternative provision that would look to mitigate or avoid the need for the borrowing headroom to be drawn upon.

The decision reports and business cases that support any properties acquisitions made and that fall within the circumstances outlined in this report are reported into the next available meeting of the Children and Young People's Select Committee.

7. Motions to Council:

8. Submitted by County Councillor Martyn Groucutt

This council acknowledges that many families in Monmouthshire will soon find themselves facing increasing financial hardship. Consequentially this will also lead to increases in wider social, Public Document Pack emotional, and medical difficulties that will have the potential to blight the lives of residents and their families. The dramatic increases in the cost of fuel for cooking, and for heating and lighting our homes, the significant rise in the rate of inflation, and increases in some taxation from the start of April will put huge financial pressure on domestic budgets that has the potential to create a social crisis across our county.

Council welcomes the current Money Matters campaign, but also believes that we need to use emerging data coming from this and from other relevant evidence gathered from agencies such as Citizens' Advice, Mind Monmouthshire, and the Abergavenny Community Enterprise Centre in order to make the best possible response. It might also be possible to gather useful information from organisations such as the Bevan Foundation on the wider impacts of the developing cost of living crisis.

Council commits itself to respond to this potential crisis, and to working with other relevant groups and agencies. This will allow officers to best identify the main causes of immediate financial hardship, identifying communities that are being most severely affected and the groups who are being most damaged, as well as other, wider consequences of increasing financial hardships across the county.

Officers will report to council over the course of this year on ways in which they have developed their response to the crisis and how they have measured its effectiveness. This will include informing council on the ways in which support has being targeted to meet identified need, and the ways in which professionals from the range of agencies have collaborated to bring about the most effective response possible

Seconded by County Councillor Lisa Dymock, Cabinet Member for Community Wellbeing and Social Justice, added that the serious impact of the cost of living on households is recognised and the increased costs of fuel and utilities will affect the least well off the hardest. She highlighted the following areas where MCC are providing help:

- Through the provision of local benefits

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held at County Hall, Usk - Remote Attendance on Thursday, 27th January, 2022 at 2.00 pm

- Through help to claim Universal Credit
- Providing support to find work
- To improve skills to help people into better paid employment
- Through tailored advice and guidance

There was disappointment that a previous motion asking that Council write to Government to express concern around the removal of the Universal Credit uplift had not been better supported. However, it had been carried with opposition votes.

The Cabinet Member for Economy commended County Councillor Groucutt on bringing the motion to Council, and the Cabinet Member for her work in this area.

Upon being put to a vote the motion was carried.

9. Submitted by County Councillor Tudor Thomas

It is imperative that all select committee chairs are provided with relevant and up-to-date information on all areas of a committee's portfolio particularly CYP on looked after children.

County Councillor Dimitri Batrouni declared a prejudicial interest and left the meeting.

Seconded by County Councillor Martyn Groucutt.

County Councillor Paul Jordan proposed an amendment:

*It is imperative that all select committee chairs **continue to be** provided with relevant and up-to-date information, **where appropriate**, on all areas of a committee's portfolio particularly CYP on looked after children.*

Seconded by County Councillor Jane Pratt who referred to her time as Select Committee Chair and considered the scrutiny function to be first class

The amended motion was accepted and became the substantive motion.

The Cabinet Member for Social Care, Safeguarding and Health was reassured that all our children and young people who were looked after, receive stable and excellent foster care, and their well-being is protected.

Upon being put to the vote the substantive motion was carried.

10. Submitted by County Councillor Armand Watts

This Council agrees that it is immoral and unfair for employees to be fired and rehired. This motion requests that Monmouthshire County Council takes steps to end fire and rehire in the workplace. It looks to prevent the practice within the local authority and avoid entering into contracts with businesses known to use the tactic, where legally possible.

Seconded by County Councillor Tudor Thomas.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held at County Hall, Usk - Remote Attendance on Thursday, 27th January, 2022 at 2.00 pm

The Cabinet Member for Resources stated that there was no evidence that MCC fires and rehires employees whether directly or via third parties. He reassured Council that there had been no wholesale changes to terms and conditions during the pandemic.

Upon being put to a vote the motion was defeated.

11. Members Questions:

12. From County Councillor Anthony Easson to County Councillor Jane Pratt, Cabinet Member for Infrastructure and Neighbourhood Services

After many months of waiting a clear response, would Cllr Pratt update me on progress for the following matters. Firstly, in relation to requests by Caldicot Town Council to install two redundant bus shelters along Woodstock Way, Caldicot. Both funded by the Town Council.

The Cabinet Member thanked County Councillor Easson for his question and responded:

Officers had made arrangements for the bus shelters to be installed, but this has been paused to ensure the bus shelters are considered comprehensively as part of the Active Travel and Safe Routes study for the Mill Lane and Woodstock Way area. This study is looking at improving the area surrounding the schools and leisure centre including the location of crossings on Woodstock Way, a matter raised in a previous Council meeting by Councillor Easson.

This Active Travel study is ongoing. An initial stakeholder workshop was held earlier this month. The draft WelTAG1 study is expected this week to help support our bid for Welsh Government funding in 2022/23, which must be submitted on Monday. Although this study is not specifically about the bus stops, we think it is wise to consider the location of the bus stops alongside new crossing points and other possible improvements in this area. Local Members and the wider community will be involved in these proposals as they emerge.

As a supplementary County Councillor Easson asked that the Cabinet Member takes personal responsibility to ensure actions are taken forward.

The Cabinet Member respected the comments and added that it is important to consult local residents and the public, and if we have information that makes it clear that residents think the bus stops are not in the right place, it would be wrong of us to have already moved them. We need to make sure we have all the information from the consultation before we make the decision.

13. From County Councillor Anthony Easson to County Councillor Jane Pratt, Cabinet Member for Infrastructure and Neighbourhood Services

Would Cllr Pratt update me on progress made so far to bring the pedestrian crossings at both Sandy Lane, and Church Road back into proper working order? Both were installed as part of the "Safe Routes to school" when Castle Park School was opened. Both crossings should be fully maintained for the reasons that they were installed.

The Cabinet Member thanked County Councillor Easson for the question and explained that Sandy Lane is a straight-forward repair and has been passed to the contractor to carry out the work. She continued to report that Officers had been on site at Church Road the previous day but unfortunately the beacons had failed to work. Officers will return next week when

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held at County Hall, Usk - Remote Attendance on Thursday, 27th January, 2022 at 2.00 pm

transformers have been delivered. The Cabinet Member arrange a meeting between County Councillor Easson and officers to ensure the Member is kept fully informed.

As a supplementary, County Councillor Easson asked that County Councillor Joanne Watkins be involved as the Ward Member.

14. From County Councillor Tudor Thomas to County Councillor Jane Pratt, Cabinet Member for Infrastructure and Neighbourhood Services

Can the Cabinet Member clarify why the policy change has been made regarding keeping street name signs in English only and not over a period of time providing bilingual street signs across the authority. Monmouthshire is an authority in Wales and this change of policy will have a negative effect on the Welsh Language in the authority.

The Cabinet Member thanked County Councillor Thomas for his question and responded that the Welsh language is an important part of the culture and heritage of our county. As a council we remain committed to ensure that new street names are Welsh only or bilingual. She added that she is very proud of the work done by our Street Naming Officer and Welsh Language Policy Officer who work closely to ensure that new street names reflect the Welsh history of the area rather than being translations of generic English language street names.

Our existing policy required updating as it mentioned the old Welsh Language Act 1993 which has been superseded by the Welsh Language (Wales) Measure 2011 and contained a reference to say that we were awaiting the Code of Practice from the Welsh Language Commissioner to inform our approach to the translation of *existing* street names. To clarify, the change made relates only to cases when existing street nameplate signs are damaged and need to be replaced. The update to the policy was carried out and is now fully compliant with the Welsh Language Standards.

Some press reports had inferred that Monmouthshire was alone in deciding that it would not translate existing street names which are currently in one language. One of our stated aspirations was to achieve a consistency of approach in South East Wales. Alongside our Gwent neighbours, those adopting the same approach to existing street names include Conwy, Denbighshire, Powys and Carmarthenshire.

The Cabinet Member concluded that we were not watering down our commitments on new street names and an examination of new street names can confirm that this is an authority which embraces the language, culture and heritage of Wales.

As a supplementary County Councillor Thomas asked if the change in policy reflected the deep seated negative of the Conservative Administration to the use of Welsh in everyday life in Monmouthshire?

The Cabinet Member responded that Welsh is a growing language in Monmouthshire and we are currently consulting on a new Welsh Language strategy that looks to capitalise on this and contribute to the Welsh Government's ambition for one million Welsh speakers by 2050. Last year Cabinet committed to increase the translation budget by more than 20%. We have worked with a local firm to develop the first bilingual local authority chatbot in Wales, which has now been taken up by other councils. The MyCouncil services app is fully bilingual, and a translator is being commissioned by the digital team to continue improvements.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held at County Hall, Usk - Remote Attendance on Thursday, 27th January, 2022 at 2.00 pm

We have over 2500 streets in Monmouthshire, translating them accurately and sensitively is not a quick process. If a member of the public uses a Welsh version of a street name which had not been added to the Gazetteer, it could cause problems to the service. We are committed to ensure that Welsh street names are recorded properly on the Gazetteer for all our partners to access when needed.

15. Minutes of the previous meeting

The minutes of the meeting held on 16th December 2021 were approved.

In doing so the following amendment was noted to item 6.3:

The other 20mph zones agreed for this financial year are in Devauden, Mathern, Monmouth, Wyesham, Mynydd Bach, **Shirenewton** and two areas of Chepstow. The 21 day consultation period for these traffic orders will commence in early February 2022. Provided there are no objections raised that cannot be resolved, the 20mph zones will be implemented in March 2022.

16. Next Meeting: 3rd March 2022

Noted.

The meeting ended at 5.00 pm