

# Public Document Pack



County Hall  
Rhadyr  
Usk  
NP15 1GA

Wednesday, 10 January 2024

## Notice of meeting

# County Council

Thursday, 18th January, 2024 at 2.00 pm,  
Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA

## AGENDA

*Prayers will be said prior to the Council meeting at 1.45pm. All members are welcome to join the Chair for prayers should they wish to do.*

Item No	Item	Pages
1.	Apologies for Absence	
2.	Declarations of Interest	
3.	Chair's Announcement	1 - 2
4.	To confirm the minutes of the meeting held on the 7th December 2023	3 - 10
5.	AGE FRIENDLY COMMUNITIES	11 - 26
6.	REVIEW OF THE DECISION TO CHARGE A COUNCIL TAX PREMIUM ON SECOND HOMES IN THE COUNTY FROM 1ST APRIL 2024	27 - 50
7.	COUNCIL TAX REDUCTION SCHEME 2024/25	51 - 56
8.	ASSET MANAGEMENT STRATEGY AND SUPPORTING POLICIES	57 - 146
9.	INVESTMENT COMMITTEE REVIEW	147 - 166
10.	Motions to Council	
10.1.	Submitted by County Councillor Richard John  This Council: Notes the publication of 'Our Local Transport Plan 2024-29'. Regrets the lack of engagement with local community and business groups in the development of the plan. Expresses disappointment that too many commitments are vague, impractical	

or even contrary to the interests of Monmouthshire residents.

Calls on the administration to make the following revisions:

- a) Remove the proposal to reinstate the Severn Bridge tolls
- b) Withdraw plans for a parking levy on Monmouthshire businesses
- c) Scrap plans for a strategy for congestion and emissions zones
- d) Strengthen commitments to Magor Walkway Station, a Chepstow relief road, improvements to the Highbeech roundabout and lobby Welsh Government for financial support
- e) Fully commit to protecting local bus routes
- f) Agree to lobby Welsh Government to end the bias in active travel funding towards urban areas

**11. Members Questions**

**11.1. From County Councillor Lisa Dymock to County Councillor Angela Sandles, Cabinet Member for Equalities and Engagement**

Please can the cabinet member provide an update on the raid that took place at Lost Souls Sanctuary on August 2023 organised by MCC animal welfare team and resulted in 11 dogs being destroyed on site and 71 being seized?

**11.2. From County Councillor Richard John to County Councillor Ben Callard, Cabinet Member for Resources**

Would the Cabinet Member make a statement on the administration's budget priorities for 2024-25?

**11.3. From County Councillor Fay Bromfield to County Councillor Ben Callard, Cabinet Member for Resources**

What representations has the Cabinet Member made to Welsh Government about the burden of business rates on Monmouthshire businesses?

**11.4. From County Councillor Richard John to County Councillor Martyn Groucutt, Cabinet Member for Education**

What impact will the administration's budget proposals for 2024-25 have on children and young people in Monmouthshire?

**12. Date of Next Meeting - 29th February 2024**

**Paul Matthews**

**Chief Executive / Prif Weithredwr**

**MONMOUTHSHIRE COUNTY COUNCIL  
CYNGOR SIR FYNWY**

**THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:**

County Councillor Rachel Buckler	Devauden;	Welsh Conservative Party
County Councillor Laura Wright	Grofield;	Welsh Labour/Llafur Cymru
County Councillor Tony Kear	Llanbadoc & Usk;	Welsh Conservative Party
County Councillor Catrin Maby	Drybridge;	Welsh Labour/Llafur Cymru
County Councillor Jan Butler	Goetre Fawr;	Welsh Conservative Party
County Councillor Ian Chandler	Llantilio Crossenny;	Green Party
County Councillor Sara Burch	Cantref;	Labour and Co-Operative Party
County Councillor Alistair Neill	Gobion Fawr;	Welsh Conservative Party
County Councillor Su McConnel	Croesonen;	Welsh Labour/Llafur Cymru
County Councillor Mary Ann Brocklesby	Llanelly Hill;	Labour and Co-Operative Party
County Councillor Fay Bromfield	Llangybi Fawr;	Welsh Conservative Party
County Councillor Jane Lucas	Osbaston;	Welsh Conservative Party
County Councillor Emma Bryn	Wyesham;	Independent Group
County Councillor Peter Strong	Rogiet;	Welsh Labour/Llafur Cymru
County Councillor Meirion Howells	Llanbadoc & Usk;	Independent
County Councillor Paul Griffiths	Chepstow Castle & Larkfield;	Welsh Labour/Llafur Cymru
County Councillor Jackie Strong	Caldicot Cross;	Welsh Labour/Llafur Cymru
County Councillor Rachel Catherine Garrick	Caldicot Castle;	Labour and Co-Operative Party
County Councillor Maria Stevens	Severn;	Welsh Labour/Llafur Cymru
County Councillor Steven Garratt	Overmonnow;	Welsh Labour/Llafur Cymru
County Councillor Angela Sandles	Magor East with Undy;	Labour and Co-Operative Party
County Councillor Ben Callard	Llanfoist & Govilon;	Welsh Labour/Llafur Cymru
County Councillor John Crook	Magor East with Undy;	Welsh Labour/Llafur Cymru
County Councillor Tomos Dafydd Davies	Llanfoist & Govilon;	Welsh Conservative Party
County Councillor Dale Rooke	Chepstow Castle & Larkfield;	Welsh Labour/Llafur Cymru
County Councillor Catherine Fookes	Town;	Welsh Labour/Llafur Cymru
County Councillor Sue Riley	Bulwark and Thornwell;	Welsh Labour/Llafur Cymru
County Councillor Jayne McKenna	Mitchel Troy and Trellech United;	Welsh Conservative Party
County Councillor Jill Bond	West End;	Welsh Labour/Llafur Cymru
County Councillor Louise Brown	Shirenewton;	Welsh Conservative Party
County Councillor Lisa Dymock	Portskewett;	Welsh Conservative Party
County Councillor Tony Easson	Dewstow;	Welsh Labour/Llafur Cymru
County Councillor Christopher Edwards	St. Kingsmark;	Welsh Conservative Party
County Councillor Martyn Groucutt	Lansdown;	Welsh Labour/Llafur Cymru
County Councillor Simon Howarth	Llanelly Hill;	Independent Group
County Councillor Richard John	Mitchel Troy and Trellech United;	Welsh Conservative Party
County Councillor David Jones	Crucorney;	Independent Group
County Councillor Penny Jones	Raglan;	Welsh Conservative Party
County Councillor Malcolm Lane	Mardy;	Welsh Conservative Party
County Councillor Phil Murphy	Caerwent;	Welsh Conservative Party
County Councillor Paul Pavia	Mount Pleasant;	Welsh Conservative Party
County Councillor Maureen Powell	Pen Y Fal;	Welsh Conservative Party
County Councillor Frances Taylor	Magor West;	Independent Group

County Councillor Tudor Thomas  
County Councillor Armand Watts  
County Councillor Ann Webb

Park;  
Bulwark and Thornwell;  
St Arvans;

Welsh Labour/Llafur Cymru  
Welsh Labour/Llafur Cymru  
Welsh Conservative Party

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### Watch this meeting online

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### Welsh Language

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. The Council welcomes contributions from members of the public through the medium of Welsh or English. We respectfully ask that you provide us with adequate notice to accommodate your needs.

# Aims and Values of Monmouthshire County Council

## Our purpose

- to become a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life.

## Objectives we are working towards

- Fair place to live where the effects of inequality and poverty have been reduced;
- Green place to live and work with reduced carbon emissions and making a positive contribution to addressing the climate and nature emergency;
- Thriving and ambitious place, where there are vibrant town centres and where businesses can grow and develop
- Safe place to live where people have a home where they feel secure in;
- Connected place where people feel part of a community and are valued;
- Learning place where everybody has the opportunity to reach their potential

## Our Values

**Openness.** We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

**Fairness.** We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

**Flexibility.** We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

**Teamwork.** We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will make the best of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.

**Kindness:** We will show kindness to all those we work with putting the importance of relationships and the connections we have with one another at the heart of all interactions.



## Chair's Report 4<sup>th</sup> December – 5<sup>th</sup> January

Monday 4 <sup>th</sup> December	Official Opening of St David's charity Shop Usk
Tuesday 5 <sup>th</sup> December 11 a.m.	Citizenship Ceremony Registrar's Office, Usk
Wednesday 6 <sup>th</sup> December 12 p.m.	MCC Long Service Recognition Chairs' Office, Usk
Saturday 9 <sup>th</sup> December	Chair's Charity - Woofmas Walk Owain Glyndwr Park, Usk
Monday 11 <sup>th</sup> December 1.30 p.m.	Durand Primary School, Year 1/2 Christmas Concert Durand Primary School, Alianore Road, Caldicot
Tuesday 12 <sup>th</sup> December 2 p.m.	Gilwern Primary School -Foundation Phase Christmas Play Gilwern Primary School, School Lane, Gilwern, Abergavenny
Tuesday 12 <sup>th</sup> December 7.30 p.m.	HMP Usk Christmas Service HMP Usk, Maryport St, Usk
Wednesday 13 <sup>th</sup> December 11 a.m.	MCC Christmas Carol Service County Hall, Usk
Wednesday 13 <sup>th</sup> December 1.30 p.m.	Kymin View Primary School – Christmas Production Kymin View Primary School, Wyesham Avenue, Monmouth
Thursday 14 <sup>th</sup> December 2 p.m.	Raglan Primary School, Christmas Nativity Play Raglan Vc Primary School, Station Road, Usk
Thursday 14 <sup>th</sup> December 4.45 p.m.	Monmouth Boy School – Service of Lessons and Carols Priory School of St Mary, Monmouth
Friday 15 <sup>th</sup> December 1.30 p.m.	Osbaston Primary School – Lower School Christmas performance Osbaston V C Primary, Osbaston Road, Monmouth
Monday 18 <sup>th</sup> December 10 a.m.	Overmonnow Primary School – Christmas Activity Overmonnow Primary School, Rockfield Road, Monmouth
Friday 5 <sup>th</sup> January 6.30 p.m.	Gwent Music Brass Band Concert St John Baptist Church, Oakfield Road, Newport

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# Public Document Pack Agenda Item 4

## MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of County Council held  
at Council Chamber - Council Chamber on Thursday, 7th December, 2023 at 2.00 pm**

**PRESENT:** County Councillor Meirion Howells (Chairman)  
County Councillor Su McConnel (Vice Chairman)

County Councillors: Rachel Buckler, Laura Wright, Tony Kear, Catrin Maby, Jan Butler, Ian Chandler, Sara Burch, Alistair Neill, Mary Ann Brocklesby, Fay Bromfield, Jane Lucas, Emma Bryn, Peter Strong, Paul Griffiths, Jackie Strong, Rachel Garrick, Steven Garratt, Angela Sandles, Ben Callard, John Crook, Tomos Davies, Dale Rooke, Catherine Fookes, Sue Riley, Jayne McKenna, Jill Bond, Louise Brown, Lisa Dymock, Tony Easson, Christopher Edwards, Martyn Groucutt, Simon Howarth, Richard John, David Jones, Penny Jones, Malcolm Lane, Phil Murphy, Paul Pavia, Maureen Powell, Frances Taylor, Tudor Thomas, Armand Watts and Ann Webb

### **OFFICERS IN ATTENDANCE:**

Paul Matthews	Chief Executive
Jane Rodgers	Chief Officer for Social Care, Safeguarding and Health
Will McLean	Chief Officer for Children and Young People
Amy Gullick	Local Democracy Officer
Frances O'Brien	Chief Officer, Communities and Place
Matthew Gatehouse	Chief Officer People, Performance and Partnerships.
Ian Saunders	Chief Officer Customer, Culture and Wellbeing.
James Williams	Chief Officer Law & Governance
Diane Corrister	Head of Children's Services
Morwenna Wagstaff	Head of Service , Inclusion

#### **1. Apologies for Absence**

County Councillor Maria Stevens.

#### **2. Declarations of Interest**

County Councillor Paul Pavia declared a personal non prejudicial interest in relation to agenda items 6 and 8, as an Associate Consultant of Practice Solutions. He is not involved with the project team or the project.

#### **3. Chair's Announcement**

The Chair's announcement was noted.

#### **4. To confirm the minutes of the meeting held on 26th October 2023**

The minutes of the previous meeting held on the 26<sup>th</sup> October 2023 were confirmed as an accurate record.

#### **5. RELOCATION OF PUPIL REFERRAL SERVICE SOUTH MONMOUTHSHIRE**

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of County Council held at Council Chamber - Council Chamber on Thursday, 7th December, 2023 at 2.00 pm

The Cabinet Member for Education presented the report to Council to seek the approval and capital investment to relocate the Pupil Referral Service (PRS) from its current location in the South of the county at Hanbury House in Chepstow to the staff houses on the former Mounton House School Site in Pwllmeyric.

<https://www.youtube.com/live/Npj6L7wldiA?feature=shared&t=218>

Upon being put to a recorded vote, Council resolved to accept the recommendations:

- That Council agree to the capital investment of £1.2m to improve and remodel the accommodation to facilitate this relocation.
- That the investment is funded via a budget virement of £500k from the Schools refurbishment grant capital scheme to partially meet the costs of this proposal.
- That to the extent that the remaining £700k cannot be met from other identified Education capital grant funding, a maximum of £700k will be funded via prudential borrowing over a 30-year period that will be met from the PRS budget.

Votes For: 23

Votes Against: 21

Abstentions: 0

#### Recorded Vote: Relocation of Pupil Referral Service South Monmouthshire

NAME	For	Against	Abstain
Councillor J BOND	X		
Councillor M A BROCKLESBY	X		
Councillor F BROMFIELD		X	
Councillor L BROWN		X	
Councillor E BRYN		X	
Councillor R BUCKLER		X	
Councillor S BURCH	X		
Councillor J BUTLER		X	
Councillor B CALLARD	X		
Councillor I CHANDLER	X		
Councillor J CROOK	X		
Councillor T DAVIES		X	
Councillor L DYMOCK		X	
Councillor A EASSON	X		
Councillor C EDWARDS		X	
Councillor C FOOKES	X		
Councillor S GARRATT	X		
Councillor R GARRICK	X		
Councillor P GRIFFITHS	X		
Councillor M GROUCUTT	X		
Councillor S.G.M. HOWARTH		X	
Councillor M HOWELLS	X		

**MONMOUTHSHIRE COUNTY COUNCIL**

**Minutes of the meeting of County Council held  
at Council Chamber - Council Chamber on Thursday, 7th December, 2023 at 2.00 pm**

Councillor R JOHN		X	
Councillor D. W. H. JONES		X	
Councillor P. JONES		X	
Councillor T KEAR		X	
Councillor M LANE		X	
Councillor J LUCAS		X	
Councillor C MABY	X		
Councillor S MCCONNEL	X		
Councillor J MCKENNA		X	
Councillor P MURPHY		X	
Councillor A NEILL	-	-	-
Councillor P PAVIA		X	
Councillor M POWELL		X	
Councillor S RILEY	X		
Councillor D ROOKE	X		
Councillor A SANDLES	X		
Councillor M STEVENS	-	-	-
Councillor J STRONG	X		
Councillor P STRONG	X		
Councillor F TAYLOR		X	
Councillor T THOMAS	X		
Councillor A WATTS	X		
Councillor A WEBB		X	
Councillor L WRIGHT	X		
<b>TOTAL</b>	<b>23</b>	<b>21</b>	<b>0</b>

**6. ANNUAL DIRECTOR'S REPORT 2022 / 2023, SOCIAL CARE, SAFEGUARDING AND HEALTH**

The Chief Officer for Social Care, Safeguarding and Health presented the Annual Directors Report for 2022/23. Members noted that preparing and publishing an annual report of the Statutory Director of Social Services is a requirement under the Social Services and Wellbeing (Wales) Act (2014). The report is required to show how social care in Monmouthshire meets the requirements of the Social Services and Wellbeing Act and the Regulation and Inspection of Social Care (Wales) Act 2016.

<https://www.youtube.com/live/Npj6L7wldiA?feature=shared&t=2572>

**Council resolved to accept the recommendations:**

- **For Council to receive and endorse the Annual Report 2022/23.**
- **That Council tasks the Chief Officer of Social Care, Safeguarding and Health to maintain focus on the priority actions as set out in the concluding section of the report.**

# MONMOUTHSHIRE COUNTY COUNCIL

## Minutes of the meeting of County Council held at Council Chamber - Council Chamber on Thursday, 7th December, 2023 at 2.00 pm

County Councillor Alistair Neill joined the meeting at 13:05pm.

### **7. SAFEGUARDING EVALUATION REPORT**

The Cabinet Member for Social Care, Safeguarding and Accessible Health Services presented the Safeguarding Evaluation Report. Members received the report which evaluated the progress of Monmouthshire County Council's key safeguarding priorities during 2022 / 2023, highlighting progress, identifying risks and setting out actions and priorities for 2023 - 2024.

Members were informed about the effectiveness of safeguarding in Monmouthshire and the work that is in progress to support the Council's aims in protecting children and adults at risk from harm and abuse. Additionally, Members were informed about the progress made towards meeting the standards in the Council's Corporate Safeguarding Policy approved by Council in July 2017, amended July 2022.

<https://www.youtube.com/live/Npj6L7wldiA?feature=shared&t=6776>

Upon being put to a vote Council resolved to accept the recommendations:

- **For members to scrutinise the Annual Safeguarding Evaluation Report and Activity prior to its presentation at Council in November 2023.**

County Councillor Jayne McKenna left the meeting at 15:58pm and rejoined at 16:28pm.

### **8. OUTCOME of CALL-IN OF DEVELOPING THE FUTURE OF MY DAY MY LIFE BASES**

The Chair of the Place Scrutiny Committee presented a report of the Committee on the Call-In of Developing the Future of the My Day My Life Bases.

Full Council were provided with the opportunity to consider the decision taken by Cabinet on 15th November concerning 'Developing the Future of the My Day My Life Bases'. This follows the call-in of the decision and the subsequent recommendation of the People Scrutiny Committee to refer the matter to full Council.

<https://www.youtube.com/live/Npj6L7wldiA?feature=shared&t=9569>

Upon being put to a recorded vote, Council resolved to accept the Cabinet decision:

**Votes to accept the Cabinet decision: 23**

**Votes to refer the decision to Cabinet for reconsideration (with reasons): 22**

**Recorded Vote: Report of the Place Scrutiny Committee: Call-In of 'Developing the Future of the My Day My Life Bases'**

NAME	ACCEPT	REFER	Abstain
Councillor J BOND	X		
Councillor M A BROCKLESBY	X		
Councillor F BROMFIELD		X	
Councillor L BROWN		X	
Councillor E BRYN		X	
Councillor R BUCKLER		X	
Councillor S BURCH	x		

**MONMOUTHSHIRE COUNTY COUNCIL**

**Minutes of the meeting of County Council held  
at Council Chamber - Council Chamber on Thursday, 7th December, 2023 at 2.00 pm**

Councillor J BUTLER		X	
Councillor B CALLARD	X		
Councillor I CHANDLER	X		
Councillor J CROOK	X		
Councillor T DAVIES		X	
Councillor L DYMOCK		X	
Councillor A EASSON	X		
Councillor C EDWARDS		X	
Councillor C FOOKES	X		
Councillor S GARRATT	X		
Councillor R GARRICK	X		
Councillor P GRIFFITHS	X		
Councillor M GROUCUTT	X		
Councillor S.G.M. HOWARTH		X	
Councillor M HOWELLS	X		
Councillor R JOHN		X	
Councillor D. W. H. JONES		X	
Councillor P. JONES		X	
Councillor T KEAR		X	
Councillor M LANE		X	
Councillor J LUCAS		X	
Councillor C MABY	X		
Councillor S MCCONNELL	X		
Councillor J MCKENNA		X	
Councillor P MURPHY		X	
Councillor A NEILL		X	
Councillor P PAVIA		X	
Councillor M POWELL		X	
Councillor S RILEY	X		
Councillor D ROOKE	X		
Councillor A SANDLES	X		
Councillor M STEVENS	-	-	-
Councillor J STRONG	X		
Councillor P STRONG	X		
Councillor F TAYLOR		X	
Councillor T THOMAS	X		
Councillor A WATTS	X		
Councillor A WEBB		X	
Councillor L WRIGHT	X		
<b>TOTAL</b>	<b>23</b>	<b>22</b>	

*County Councillor MaryAnn Brocklesby left the meeting at 18:10pm  
County Councillor Frances Taylor left the meeting at 18:10pm*

# MONMOUTHSHIRE COUNTY COUNCIL

## Minutes of the meeting of County Council held at Council Chamber - Council Chamber on Thursday, 7th December, 2023 at 2.00 pm

County Councillor Jackie Strong left the meeting at 18:10pm  
County Councillor Sue Riley left the meeting at 18:10pm  
County Councillor Fay Bromfield left the meeting at 18:10pm  
County Councillor Armand Watts left the meeting at 18:10pm

### **9. Motions to Council**

#### **10. Submitted by County Councillor Paul Pavia**

*This Council notes:*

- *Prostate cancer is the most common cancer in men. 1 in 8 men will be diagnosed, rising to 1 in 4 for Black men. As many as 69% of those treated with surgery may experience urinary incontinence as a result.*
- *1 in 25 men aged over 40 will experience some form of urinary leakage every year.*
- *1 in 20 men aged 60 or over will experience bowel incontinence in the UK.*
- *Men who need to dispose of their sanitary waste (including incontinence pads, pouches, stoma, catheter, colostomy, ileostomy waste by-products) often have no direct access to a sanitary bin in male toilets.*
- *A survey of men living with incontinence reveals that 95% feel anxiety due to a lack of sanitary bins in men's toilets for disposing of pads hygienically.*
- *Nearly one third of men surveyed have been forced to carry their own waste in a bag.*

*This Council believes:*

- *that men should be able to safely and hygienically dispose of incontinence products easily and with dignity wherever they go.*
- *that men who need to dispose of their sanitary waste should have direct access to a sanitary bin in male toilets.*

*This Council resolves:*

- *That the Cabinet Member for Climate Change and the Environment should consider as soon as reasonably practicable the provision of at least one sanitary bin in all County Council male toilets – both public and in council buildings.*
- *To encourage other providers of public and workplace toilets in our area to make male sanitary bins available in their facilities.*
- *To support Prostate Cancer UK's 'Boys need Bins' campaign.*
- *That the Leader of the Council should write on behalf of the Council to our local MP and MS asking them to support Prostate Cancer UK's 'Boys need Bins' campaign and request that respective Governments look to update any necessary regulations to ensure that 'suitable means for the disposal of sanitary dressings' is provided in all toilets.*

<https://www.youtube.com/live/Npj6L7wldiA?feature=shared&t=15947>

## MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held  
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Upon being put to a vote, Council resolved to amend the motion as follows:

- *That the Cabinet Member for Climate Change and the Environment should consider as soon as reasonably practicable the provision of at least one sanitary bin and other facilities within the toilets that would make them stoma friendly in all County Council male toilets – both public and in council buildings.*

Upon being put to a vote Council resolved to accept the new substantive motion.

*County Councillor Tony Easson left the meeting at 18:31pm  
County Councillor Frances Taylor rejoined the meeting at 18:50pm*

### 10.1. Submitted by County Councillor Richard John

*This Council:*

*Notes the Welsh Government's phase 2 consultation on a Fairer Council Tax  
Recognises the crippling impact that Welsh Government's options 2 and 3 would have on Monmouthshire families, with council tax rises of up to 16%  
Requests the Leader write to the Minister for Finance and Local Government opposing any changes to council tax which disproportionately impact on Monmouthshire residents.*

<https://www.youtube.com/live/Npj6L7wldiA?feature=shared&t=18011>

Upon being put to a vote Council resolved to accept the motion.

*County Councillor Fay Bromfield rejoined the meeting at 18:58pm  
County Councillor Tudor Thomas left the meeting at 19:00pm  
County Councillor Catherine Fookes left the meeting at 19:01pm  
County Councillor Armand Watts rejoined the meeting at 19:24pm*

### 11. Members Questions

### 12. From County Councillor Louise Brown to County Councillor Paul Griffiths, Cabinet Member for Planning and Economic Development

*Following on from the motion approved by Council on High Beech roundabout on the 23rd June 2022, please can you update Council on the progress being made to improve High Beech roundabout traffic congestion problems?*

<https://www.youtube.com/live/Npj6L7wldiA?feature=shared&t=19589>

*County Councillor Laura Wright left the meeting at 19:26pm  
County Councillor Frances Taylor left the meeting at 19:26pm*

### 13. From County Councillor Louise Brown to County Councillor Catrin Maby, Cabinet Member for Climate Change and the Environment

*What consideration has the Cabinet Member given to extending the consultation period for the Local Transport Plan?*

<https://www.youtube.com/live/Npj6L7wldiA?feature=shared&t=19801>

### 14. Date of Next Meeting - 18th January 2023

**MONMOUTHSHIRE COUNTY COUNCIL**

**Minutes of the meeting of County Council held  
at Council Chamber - Council Chamber on Thursday, 7th December, 2023 at 2.00 pm**

**The meeting ended at 7.35 pm**



**SUBJECT: AGE FRIENDLY COMMUNITIES**

**MEETING: COUNCIL**

**DATE: 18 JANUARY 2024**

**DIVISION/WARDS AFFECTED: ALL**

**1. PURPOSE:**

- 1.1 To take steps to ensure that Monmouthshire is a great place to grow old in and promote action at a local level to support full participation of older people in community life and promote healthy and active ageing.

**2. RECOMMENDATIONS:**

- 2.1 That the Council commits to work with partner organisations and the wider community to make Monmouthshire an Age-Friendly County and join the World Health Organisation's global network of age-friendly communities.
- 2.2 That Council agrees to create the role of member champion for older people, and encourages town and community councils to do the same.
- 2.3 To engage with older members of our county to inform and shape the actions to be taken by the council, partners and other stakeholders.

**3. KEY ISSUES:**

- 3.1 The global response to the world's ageing population has been a move towards age friendly communities and cities. The World Health Organisation (WHO) states that 'an age-friendly world enables people of all ages to actively participate in community activities and treats everyone with respect, regardless of their age.'
- 3.2 Alongside this, Welsh Government's Strategy for an Ageing Society commits to supporting people of all ages to live and age well, creating an Age-Friendly Wales where everyone looks forward to growing older. A Wales where individuals can take responsibility for their own health and well-being whilst feeling confident that support will be available and easily accessible if needed, where ageism does not limit potential or affect the quality of services older people receive, for Wales to be a nation that celebrates age and, in line with the UN Principles for Older Persons, a nation that upholds the independence, participation, care, self-fulfilment and dignity of older people at all times.
- 3.3 Monmouthshire has an ageing population. A quarter of Monmouthshire residents are aged 65 and over, with that proportion predicted to rise significantly in the years ahead. We want all its residents to live long and healthy lives, being as independent and active as possible for as long as possible. It is also important to recognise and celebrate the valuable contribution that older residents and visitors make to our communities and economy.

- 3.4 Achieving WHO Age Friendly Status is about recognising what is already happening within communities across Monmouthshire, bringing it more sharply into focus with an eye on how to

address the specific gaps. It is not necessarily about new investment, more about knowing what and where the gaps are, how things can be done even better with the emphasis on the needs of older people.

- 3.5 Age-Friendly Communities are defined by the World Health Organisation as: “environments which foster healthy and active ageing. They enable older people to: age safely in a place that is right for them; be free from poverty; continue to develop personally; and to contribute to their communities while retaining autonomy, health and dignity. Because older people know best what they need, they are at the centre of any effort to create a more age-friendly world.”
- 3.6 We aim to work with partner organisations and the community to undertake meaningful engagement with the 50+ population across the County, recognising the importance of their voices. An extensive engagement exercise is a priority to assess:
- Services that meet their needs
  - Gaps in service provision
  - Geographical reach
  - Diversity and equality impacts
  - What matters to their wellbeing.

This engagement will aim to be as inclusive as possible of all voices where other citizens would like to contribute their views to creating Age-Friendly communities across Monmouthshire.

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

- 4.1 The proposal would have a positive impact for older people in the county. It also demonstrates a commitment to the ways of working established by the Well-being of Future Generations Act, in particular collaboration and involvement. The proposal would have positive impact on a number of the national well-being goals, in particular *a healthier Wales* and *a Wales of cohesive communities*.

#### **5. REASONS:**

To raise awareness of, and align work to, promote active and healthy ageing in line with our commitments to tackle health inequalities.

#### **6. RESOURCE IMPLICATIONS:**

This is a Welsh Government grant-funded programme of activity until March 31<sup>st</sup> 2025. There are no additional resource implications in line with this report.

#### **7. CONSULTEES:**

Cabinet  
Strategic Leadership Team

#### **8. BACKGROUND PAPERS:**

None

#### **9. AUTHOR:**

Sharran Lloyd – Strategic Partnerships Manager

#### **10. CONTACT DETAILS:**

Tel: 07814212067

E-mail: sharranlloyd@monmouthshire.gov.uk



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

<p><b>Name of the Officer:</b> Sharran Lloyd</p> <p><b>Phone no:</b> 07814 212067 <b>E-mail:</b> sharranlloyd@monmouthshire.gov.uk</p>	<p><b>Please give a brief description of the aims of the proposal</b></p> <p>To take steps to ensure that Monmouthshire is a great place to grow old in, and promote action at a local level to support full participation of older people in community life and promote healthy and active aging</p>
<p><b>Name of Service area:</b> Strategic Partnerships Team</p>	<p><b>Date</b> 5/1/24</p>

**4 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	<p>WHO status will help to support people of all ages to live and age well, creating an Age-Friendly Monmouthshire where everyone looks forward to growing older, where individuals can take responsibility for their own health and well-being whilst feeling confident that support will be available and easily accessible if needed, where ageism does not limit potential or affect the quality of services older people receive, and will promote independence, participation, self-fulfilment and dignity of older people at all times.</p>	<p>None identified, as WHO status is targeted towards building a Monmouthshire for those with protected characteristics</p>	<p>No negative impacts are identified at this stage of the process. Extensive engagement is planned to reach as many citizens within our county, to enable them to have a voice in this process and to help shape the development of an age-friendly Monmouthshire.</p>
Disability	<p>Through the extensive engagement we aim to undertake, a survey has been developed which incorporates the following areas:</p> <ul style="list-style-type: none"> <li>- Services that meet their needs</li> <li>- Gaps in service provision</li> <li>- Geographical reach</li> <li>- Diversity &amp; equality impacts</li> <li>- What matters to their wellbeing</li> </ul> <p>Through these questions we aim to gather views on, community &amp; healthcare, transportation, housing, social participation, outdoor spaces &amp; buildings, respect &amp; social inclusion, civic participation &amp; employment and communication &amp; information.</p>	<p>None identified, as WHO status is targeted towards building a Monmouthshire for those with protected characteristics.</p>	<p>No negative impacts are identified at this stage of the process. Extensive engagement is planned to reach as many citizens within our county, to enable them to have a voice in this process and to help shape the development of an age friendly Monmouthshire.</p>

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	None identified at this stage	None identified at this stage	N/A
Marriage or civil partnership	None identified at this stage	None identified at this stage	N/A
Pregnancy or maternity	None identified at this stage	None identified at this stage	N/A
Race	None identified at this stage	None identified at this stage	N/A
Religion or Belief	None identified at this stage	None identified at this stage	N/A
Sex	None identified at this stage	None identified at this stage	N/A
Sexual Orientation	None identified at this stage	None identified at this stage	N/A

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## 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><b>Socio-economic Duty and Social Justice</b></p>	<p>Age-Friendly Communities are defined by the World Health Organisation as: “environments which foster healthy and active ageing. They enable older people to: age safely in a place that is right for them; be free from poverty; continue to develop personally; and to contribute to their communities while retaining autonomy, health and dignity. Because older people know best what they need, they are at the centre of any effort to create a more Age-Friendly world.”</p>	<p>None identified at this stage</p>	<p>By working toward achieving the WHO status, we aim to identify and tackle inequality within our communities and in our service provision across the county through a multi-agency approach</p>

### 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><b>Policy Making</b></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>Through the engagement process we are promoting the use of the Welsh language. We have included a specific question asking if residents are able to use the Welsh language within their community settings or within the county.</p> <p>The survey is also available in Welsh and will be promoted via social media in Welsh</p>	<p>None at this stage in the process</p>	<p>We are specifically seeking views on the use of, and opportunity to use Welsh, as part of our engagement process.</p>
<p><b>Operational</b></p> <p>Recruitment &amp; Training of workforce</p>	<p>No recruitment for training is required</p>	<p>None at this stage</p>	<p>N/A</p>
<p><b>Service delivery</b></p> <p>Use of Welsh language in service delivery</p> <p>Promoting use of the language</p>	<p>Through the engagement process we are promoting the use of the Welsh language. We have included a specific question asking if residents are able to use the Welsh language within their community settings or within the county.</p>	<p>None at this stage in the process</p>	<p>We are specifically seeking views on the use of, and opportunity to use Welsh, as part of our engagement process.</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?
<p><b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The WHO status aims to recognise the contribution older people play within our community and how through their valuable contribution of volunteering/caring roles they are able to directly and indirectly support the local economy and growth within our communities</p>	<p>To create age friendly communities, we need to ensure there are enough opportunities and available support to enable our older population to contribute in a way they would like to and to do what matters to them</p>
<p><b>A resilient Wales</b> Maintain and enhance biodiversity and land, river and coastal ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>None identified at this stage</p>	<p>None identified at this stage</p>
<p><b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>By achieving WHO status, we will support people of all ages to live and age well, creating an Age-Friendly county where individuals can take responsibility for their own health and well-being whilst feeling confident that support will be available and easily accessible if needed</p>	<p>By working in partnership with other organisations and the community, we aim to tackle inequity and inequality within our communities to be able to improve and build on opportunities for citizens to maintain good health &amp; wellbeing</p>
<p><b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected</p>	<p>Within Monmouthshire there is a lot of positive, collaborative and integrated activity which meets the needs of older people already in place. Achieving WHO Age Friendly Status is about recognising what is already happening, bringing it more sharply into focus with an eye on how to address the specific gaps. It is not necessarily about new investment, more about knowing what and where the gaps are</p>	<p>This agenda will also align to the work of the community cohesion officer which will enable us to strengthen collaboration with diverse networks across the county and broaden the scope of age friendly communities</p>






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?
	and doing what we already do better with emphasis on the needs of older people.	
<p><b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>The global response to the world’s ageing population has been a move towards age-friendly communities and cities. The World Health Organisation (WHO) states that ‘an Age-Friendly world enables people of all ages to actively participate in community activities and treats everyone with respect, regardless of their age.’ In line with this, Monmouthshire is now working towards WHO status for an age friendly county</p>	<p>The positive outcome of this will be the convening of multi-agency partners and the wider community to develop and strengthen age friendly communities across the county</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>Through the engagement process we are promoting the use of the Welsh language. We have included a specific question asking if residents are able to use the Welsh language within their community settings or within the county.</p> <p>The survey is also available in Welsh and will be promoted via social media in Welsh</p>	<p>We are specifically seeking views on the use of, and opportunity to use Welsh, as part of our engagement process.</p>
<p><b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances</p>	<p>Age-Friendly Communities are defined by the World Health Organisation as: “environments which foster healthy and active ageing. They enable older people to: age safely in a place that is right for them; be free from poverty; continue to develop personally; and to contribute to their communities while retaining autonomy, health and dignity. Because older people know best what they need, they are at the centre of any effort to create a more Age-Friendly world.”</p>	<p>No negative impacts are identified at this stage of the process. Extensive engagement is planned to reach as many citizens within our county, to enable them to have a voice in this process and to help shape the development of an age friendly Monmouthshire</p>

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?
	This also supports the Older People's Commissioner's priorities for ending ageism and age discrimination and protecting & promoting older people's rights.	

**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>	By achieving WHO status, we are aiming to develop and strengthen age friendly communities for now and for future generations that will support people of all ages to live and age well	None at this stage
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	The Council will commit to work with partner organisations and the wider community to make Monmouthshire an Age-Friendly County and join the World Health Organisation's global network of Age-Friendly communities.	None at this stage.

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>Involving those with an interest and seeking their views</p> <p><b>Involvement</b></p>	<p>Through the extensive engagement we aim to undertake, a survey has been developed which incorporates the following areas:</p> <ul style="list-style-type: none"> <li>- Services that meet their needs</li> <li>- Gaps in service provision</li> <li>- Geographical reach</li> <li>- Diversity &amp; equality impacts</li> <li>- What matters to their wellbeing</li> </ul> <p>Through these questions we aim to gather views on, community &amp; healthcare, transportation, housing, social participation, outdoor spaces &amp; buildings, respect &amp; social inclusion, civic participation &amp; employment and communication &amp; information.</p>	<p>No negative impacts are identified at this stage of the process. Extensive engagement is planned to reach as many citizens within our county, to enable them to have a voice in this process and to help shape the development of an age friendly Monmouthshire.</p>
 <p>Putting resources into preventing problems occurring or getting worse</p> <p><b>Prevention</b></p>	<p>By achieving WHO status, we are aiming to develop and strengthen age friendly communities for now and for future generations that will support people of all ages to live and age well, preventing problems occurring and enabling people to access support when needed</p>	<p>None at this stage</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>Considering impact on all wellbeing goals together and on other bodies</p>	<p>WHO status will be achieved through solid collaboration with other partner agencies, the wider community and citizens within our county. By committing to short, medium and long-term goals, the vision of creating an age friendly Monmouthshire will be sustained through active participation, collaboration and through strong, well-connected communities across the county</p>	<p>A framework to strengthen collaboration will be required to ensure all partners and the community are working together as equals to develop an age friendly Monmouthshire</p>

**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?**

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Safeguarding	Age-Friendly Communities are defined by the World Health Organisation as: “environments which foster healthy and active ageing. They enable older people to: age safely in a place that is right for them; be free from poverty; continue to develop personally; and to contribute to their communities while retaining autonomy, health and dignity. Because older people know best what they need, they are at the centre of any effort to create a more Age-Friendly world.”	None identified at this stage	This will be determined once the engagement process is underway/undertaken.
Corporate Parenting	Not applicable		

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

Monmouthshire has an ageing population. A quarter of Monmouthshire residents are aged 65 and over, with that proportion predicted to rise significantly in the years ahead. We want all its residents to live long and healthy lives, being as independent and active as possible for as long as possible. It is also important to recognise and celebrate the valuable contribution that older residents and visitors make to our communities and economy.

Monmouthshire's population aged 65 and over is projected to increase by 61% and, more significantly, those aged 85 and over by 185% by 2039.

Daffodil Cymru projects an 87% increase in Monmouthshire's population aged 65 and over with dementia by 2035. This is above the increase projected across Wales of 72% and the second highest increase in Wales after Flintshire.

The Older People's Commissioner has highlighted that older people are a significant asset to Wales, worth over £1bn to the Welsh economy annually.

Age UK report there can be strong community spirit in rural communities at the heart of which are many older volunteers; over 30 per cent of people aged 65 or older in rural areas volunteer at least once a year compared to 20 per cent of older people in urban areas. It was estimated by the Wales Council for Voluntary Action in 2015 that 63.3% of adults volunteered formally in Volunteer at Mardy Park 41 Monmouthshire.

**Page 24. 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?**

**24** Positives:

An age friendly Monmouthshire will help;

- Create environments which foster healthy and active ageing
- Enable older people to age safely in a place that is right for them
- Continue to develop personally
- Contribute to their communities while retaining autonomy, health and dignity

Negatives:

None identified at this stage.

**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
Conduct an extensive survey with citizens across Monmouthshire	TBC based on Council approval	Matthew Gatehouse Sharran Lloyd

**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
1	County Council	18 <sup>th</sup> January 2024	

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**Subject: REVIEW OF THE DECISION TO CHARGE A COUNCIL TAX PREMIUM ON SECOND HOMES IN THE COUNTY FROM 1<sup>ST</sup> APRIL 2024**

**Meeting: Council**

**Date: 18<sup>th</sup> January 2024**

**Divisions/Wards Affected: All**

## **1. PURPOSE:**

1.1 The purpose of this report is to:

- Review the decision to charge a 100% council tax premium on second homes in the county from 1<sup>st</sup> April 2024.
- Consider the likely effect that a council tax premium on second homes will have on the tourism industry in the county.

## **2. RECOMMENDATIONS:**

2.1 That Council go ahead with the decision to introduce a 100% council tax premium for second homes from 1<sup>st</sup> April 2024.

2.2 That Council use its discretionary powers under Section 12B of the Local Government Finance Act 1992 to introduce a specific exception to help support businesses moving from the commercial list to the domestic list. The exception will exempt these businesses from the second home council tax premium for a period of 12 months. During this time standard council tax will still be payable.

## **3. KEY ISSUES:**

3.1 On 9<sup>th</sup> March 2023 Council decided to use their discretionary powers, under Section 12A and 12B of the Local Government Finance Act 1992 as inserted by the Housing (Wales) Act 2014, to charge a council tax premium on both long term empty properties and second homes in the county.

3.2 From 1<sup>st</sup> April 2024, for long term empty properties a 100% premium will apply to properties empty for 1 year, a 200% premium to properties empty for 2 years and a 300% premium to properties empty for 3 years or more.

3.3 For second homes, it was agreed that a 100% council tax premium would apply. However, Council wanted to review this decision ahead of implementing these premiums as more time was wanting to be taken to consider the wider effects of changes introduced by Welsh Government as well as economic conditions prevailing at this time on the tourism industry in Monmouthshire.

- 3.4 The decision to implement council tax premiums in Monmouthshire followed a period of public consultation. Responses received to the consultation were largely in favour of introducing council tax premiums with 63% of respondents in favour of a premium for long term empty properties and 54% in favour of a premium for second homes.
- 3.5 For second homes the general response in favor of a premium was if someone could afford a second home then they could afford to pay more council tax. For those who responded no, responses touched on the relatively small number of second homes in the county and the potential impact the premium may have on the tourism sector in the county.
- 3.6 In making these determinations and in line with the legislation, Council gave households and businesses likely to be affected by the premium 12 months' notice. This gave those affected time to plan and to determine the future use of their property.

#### **4. Second Homes**

- 4.1 A second home is determined as a dwelling which is not a person's sole or main home and is substantially furnished. These dwellings are referred to in the Local Government Finance Act (LGFA) 1992 as dwellings occupied periodically but they are commonly referred to as "second homes".
- 4.2 Work continues to identify the exact number of second homes in the county. There are currently 188 properties listed on the Council's council tax system. However, this number is changing daily. We also expect the number to continue to fall as owners make decisions ahead of the premium being introduced.
- 4.3 Letters were sent to households listed as a second home drawing owners attention to last year's consultation and again in September 2023 providing owners with details of the potential premium and how they could apply for any relevant exceptions. Information has also been provided through the councils web site. These communications also signposted owners to our Housing Options Team who can provide help and advice in bringing properties back into use.
- 4.4 From the information currently held it is not possible to accurately determine how many of the 188 properties are being used in a private capacity or as a business.
- 4.5 Appendix one provides a breakdown of these properties by band and by parish.

#### **5. Impact to the local economy**

- 5.1 When Council made the decision to introduce premiums, they were aware of certain specific external factors which combined, had the potential to have a detrimental effect on the local tourism sector and subsequently a knock on effect to the county's wider economy.
- 5.2 From 1<sup>st</sup> April 2023 Welsh Government changed the thresholds owners had to meet for self-catering properties to qualify for business rates. Prior to April 2023 a property had to be available to let for 140 days or more in the previous/current year and be actually let for 70 days in the previous 12 months. Post April 2023, the threshold was raised to a property being available to let for 252 days or more in the previous/current year and be actually let for 182 days in the previous 12 months.

- 5.3 The Wales branch of the Professional Association of Self Caterers recently surveyed its members on the 182 day occupancy rule. The survey closed in October 2023 having received 1,500 responses. The key findings were as follows:
- 50% of operators said they met the 182 day occupancy threshold for 2022/23.
  - 70% of operators are offering discounts.
  - 25% of operators think that they will meet the 182 day occupancy threshold for 2023/24.
  - 42% of operators are either selling or considering selling because of the 182 day occupancy threshold.
- 5.4 Self-catering operators represent a significant proportion of Monmouthshire's accommodation businesses (75% of non-serviced accommodation operators and 64% of total accommodation operators) and in recent years non-serviced accommodation has outperformed other types of visitor accommodation in rural parts of Wales, helping recovery from the Covid pandemic.
- 5.5 It is anticipated that this rule change will bring some self-catering properties back into the domestic list. Many of these are currently within the small business rate relief threshold and pay no business rates. In moving to the domestic list, they will be required to pay council tax and therefore any council tax premium.
- 5.6 To date only a handful of properties have moved from the commercial list (NDR) across to the domestic list (Council tax). However, there are 176 self-catering businesses on the current commercial list that, if the survey data were to be reflected on the ground, would result in a significant number of properties moving across to the domestic list and therefore having to pay both council tax and a council tax premium.
- 5.7 Another factor is Welsh Government's decision to move forward with the introduction of a Visitor Levy in Wales following a public consultation exercise. Draft legislation for a Visitor Levy is expected to be introduced in the Senedd in Autumn 2024. If approved this would give councils in Wales the power to introduce a levy. The tourism sector is concerned that this will have a negative impact on the viability of self-catering operators in future, especially for border counties such as Monmouthshire.
- 5.8 Whilst tourism data from Monmouthshire 2022 STEAM indicates that the tourism sector in the County recovered after the Covid pandemic, industry sources indicate that 2023 has been a challenging year. UK real disposable income has been affected by high inflation and the cost of living crisis. Poor summer weather and the world opening up again after Covid is likely to result in lower bookings this year as families who could afford a holiday decided to holiday abroad rather than stay in this country.

## **6. Legislation and Guidance**

- 6.1 Section 12A and 12B of the Local Government Finance Act 1992 as inserted by the Housing (Wales) Act 2014 give Welsh Government Ministers powers to prescribe classes of dwellings for which a council tax premium cannot apply. There are 7 exceptions applicable to second homes. These are detailed in Appendix Two.
- 6.2 The same legislation allows a billing authority to determine the particular type and classes of property to which it will or will not apply a premium. Local authorities can use these powers to reduce or disapply a premium.

## **7. OPTIONS APPRAISAL**

- 7.1 The above confirms that it is too early to determine with any certainty the full impact a council tax premium or any of the other factors identified in section 5 will have on the

county's tourism economy. However, Cabinet recognise the importance of the sector to the county's economy and do not want to jeopardise its future.

7.2 The following options were therefore considered:

1. Continue with the original decision and go ahead and charge a 100% second home premium from 1<sup>st</sup> April 2024.
2. Reverse the decision to charge a second home premium from 1<sup>st</sup> April 2024.
3. Reduce the percentage of second home premium.
4. Go ahead with a 100% second home premium and introduce an exception to exempt properties that move across from the commercial list to the domestic list from paying a council tax premium for a period of 12 months. Standard council tax would still apply.

7.3 Due to the ongoing uncertainty, option 4 was considered the preferred approach. This will give businesses affected by the self-catering rule change some extra time to plan and adjust their business model to the council tax regime and would be relatively straightforward for our Revenues Team to administer. It also compliments the councils aim of addressing the housing needs of the county.

## **8. EVALUATION CRITERIA**

- Data from Wales branch of the Professional Association of Self Caterers
- Review of tourism data from Monmouthshire 2022 STEAM
- Welsh Government guidance for council tax premiums
- Council Tax and Business Rate data held by our Revenues Shared Service

## **9. REASONS**

9.1 Council determined to review the decision to charge a council tax premium on second homes ahead for its implementation, giving further consideration to the impact on the local economy.

## **10. RESOURCE IMPLICATIONS**

10.1 Any additional revenue generated from council tax premiums is intended to:

- help bring long term empty properties back into use to provide safe, secure and affordable homes.
- support councils in increasing the supply of affordable housing and enhancing the sustainability of local communities.

10.2 Revenue generated from council tax premiums will be ring fenced to a specific reserve to be used in the future to help address both the above and other specific housing needs of the County.

10.3 In adopting option 4 and providing a specific exception to self-catering businesses affected by the rule change, this will reduce the overall revenue generated. We will only be able to determine the exact amount of this once properties start moving between the two lists. However this will not have a direct effect on the council's budget for 2024/25 as a prudent approach has been taken to premiums when setting the Council Tax base for next year and council tax premium revenue will be ring-fenced for future use.

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

11.1 An Equality Impact Assessment was completed as part of the original decision in March 2023. This has been updated to reflect this review of the decision to charge a second home premium and can be found in Appendix Three.

11.2 The introduction of council tax premiums will help to address some of the housing issues the county faces and in doing so contributes to the delivery of Corporate Plan priorities and well-being goals as set out in the Well-being of Future Generations Act. The recommended exception does not affect this desired outcome.

**12. CONSULTEES:**

- Cabinet
- Strategic Leadership Team
- Chief Officer for Resources and Deputy Chief Executive
- Head of Finance

**13. BACKGROUND PAPERS:**

Appendix One: Second Homes by council tax band and parish

Appendix Two: Council Tax Exceptions Second Homes

Appendix Three: Updated Future Generations Evaluation

**14. AUTHORS:**

Ruth Donovan – Assistant Head of Finance: Revenues, Systems and Exchequer

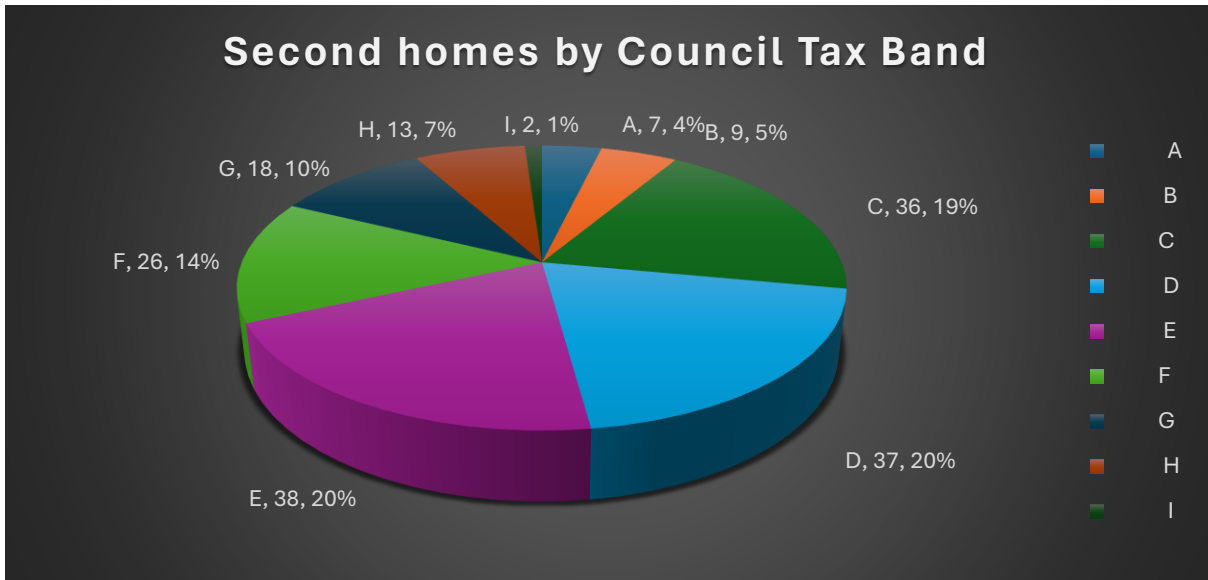
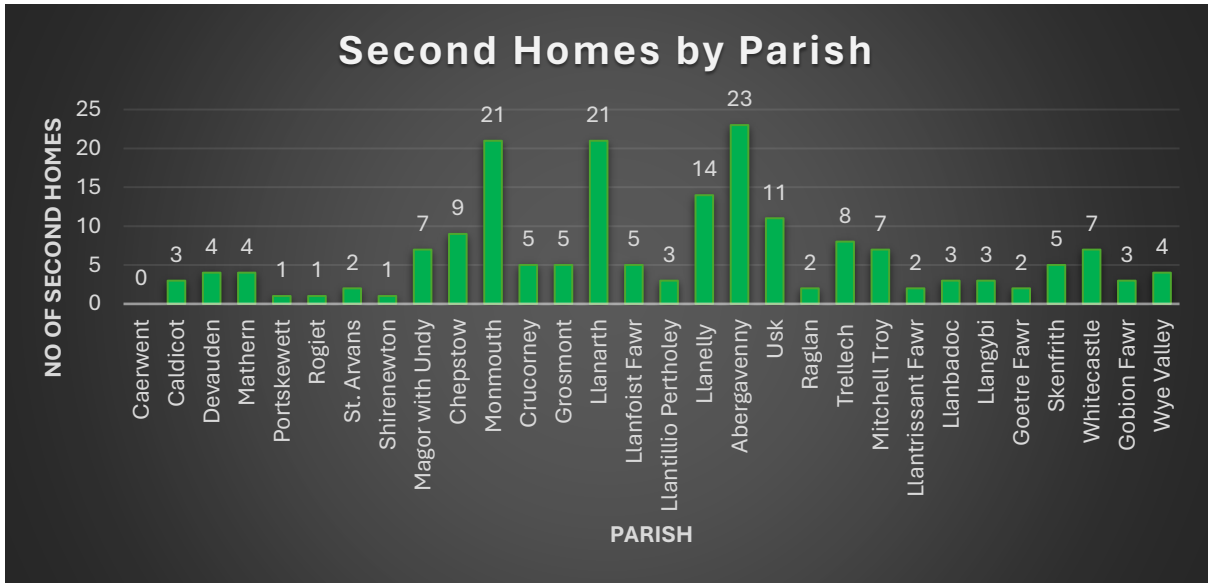
**15. CONTACT DETAILS:**

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<b>Number of properties</b>													
<b>As at 28th Spetember 2023</b>													
		<b>Council Tax Band</b>											
		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>		<b>TOTAL</b>	
1A	Caerwent											<b>0</b>	
1B	Caldicot		1	1		1						<b>3</b>	
1C	Devauden	1		2	1							<b>4</b>	
1G	Mathern				1		1	2				<b>4</b>	
1H	Portskewett			1								<b>1</b>	
1J	Rogiet						1					<b>1</b>	
1K	St. Arvans						1	1				<b>2</b>	
1L	Shirenewton		1									<b>1</b>	
1N/P	Magor with Undy	1		1		3	1	1				<b>7</b>	
2A	Chepstow			1	4	2	2					<b>9</b>	
3A	Monmouth	1		1	8	6	1	2	1	1		<b>21</b>	
4B/C	Crucorney				1		1	2	1			<b>5</b>	
4D	Grosmont			1		1	1	1	1			<b>5</b>	
4E/F	Llanarth			12	4	2	1	2				<b>21</b>	
4H	Llanfoist Fawr			1		2		1	1			<b>5</b>	
4L/M	Llantillio Pertholey			1		1			1			<b>3</b>	
4P	Llanelly	1	1		3	7	2					<b>14</b>	
5A/B/C/D	Abergavenny		2	4	9	5	2		1			<b>23</b>	
6A	Usk	1	2	3	2	3						<b>11</b>	
7A	Raglan			1			1					<b>2</b>	
7B	Trellech		1	1			1	2	3			<b>8</b>	
7C	Mitchell Troy	2		1		2		1	1			<b>7</b>	
8B	Llantrissant Fawr						2					<b>2</b>	
8C	Llanbadoc				1	1	1					<b>3</b>	
8D	Llangybi				1		1	1				<b>3</b>	
8F	Goetre Fawr					1			1			<b>2</b>	
9A	Skenfrith			1		1		2	1			<b>5</b>	
9B	Whitecastle		1				5			1		<b>7</b>	
9C	Gobion Fawr			1	1				1			<b>3</b>	
9D	Wye Valley			2	1		1					<b>4</b>	
	<b>TOTAL</b>	<b>7</b>	<b>9</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>26</b>	<b>18</b>	<b>13</b>	<b>2</b>		<b>186</b>	





## **Appendix Two: Council Tax Exceptions Second Homes**

Sections 12A and 12B of the Local Government Finance Act 1992 as inserted by the Housing (Wales) Act 2014 provide Welsh Ministers with powers to make regulations to prescribe 1 or more classes of dwellings in relation to which a billing authority may not make a determination to apply a premium.

The regulations prescribe 7 classes of exempt dwellings. The classes of dwelling are outlined below.

### **Class 1: dwellings being marketed for sale.**

This excepts dwellings that are being marketed for sale. It also covers dwellings where an offer to buy the dwelling has been accepted but the sale has not yet been completed.

To qualify for this exception a dwelling must be on the market for sale at a reasonable price for that dwelling. In considering whether a price is reasonable, regard should be given to the sale price of comparable dwellings in the area.

The exception period runs for up to 1 year from the granting of the exception. After an exception has ended, a dwelling being marketed for sale will not be eligible for a further exception period unless it has been sold.

### **Class 2: dwellings being marketed for let.**

This excepts dwellings that are being marketed for let. It also covers dwellings where an offer to rent has been accepted but the tenant is not yet entitled to occupy the property because the tenancy has not yet started.

To be eligible for this exception, a dwelling must be on the market for let at a reasonable rent, that is, the rent the property would be expected to fetch having regard to the rent raised on comparable dwellings.

The exception period runs for up to 1 year from the granting of the exception. After the end of the exception period, a dwelling being marketed for let will not be eligible for a further exception period unless it has been subject to a tenancy that was granted for a term of 6 months or more.

### **Class 3: annexes forming part of, or being treated as part of, the main dwelling.**

This exception applies where an owner has adapted their dwelling to provide an annexe and the annexe is now being used as part of the main dwelling.

### **Class 4: dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation.**

This exception applies to dwellings that would be a person's sole or main residence but which is unoccupied because that person resides in armed forces accommodation.

This exception is also intended to cover armed forces personnel whose homes are unoccupied because they are living in armed forces accommodation overseas.

### **Class 5: occupied caravan pitches and boat moorings**

This exception covers dwellings that consist of a pitch occupied by a caravan or a mooring occupied by a boat where the caravan or boat currently has no resident, but when next in use will be a person's sole or main residence.

### **Class 6: seasonal homes or holiday lets where year-round or permanent occupation is prohibited.**

This exception is applicable to dwellings that are subject to planning conditions that prevent occupancy for a continuous period of at least 28 days in any 12 month period.

This exception is often applied to purpose-built holiday homes or chalets which are subject to planning conditions restricting year-round occupancy or to protect local features, for example where the site is near a fragile habitat which requires protection at particular times of year.

The exception is based on the definition of the existing discretionary discount for seasonal homes (Class A) in The Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998.

From 1 April 2023, Class 6 is extended to include every dwelling restricted by a planning condition which:

- prevents occupancy for a continuous period of at least 28 days in any 1 year period
- specifies its use as a holiday let only
- prevents occupancy as a person's sole or main residence

### **Class 7: job-related dwellings**

This exception to dwellings occupied by a person who is:

- a qualifying person in relation to the dwelling, but who is resident in another dwelling which is job-related (as defined in Schedule 1 to the Regulations)
- a qualifying person in relation to a job-related dwelling

A qualifying person is defined as:

- a person who is liable for council tax in respect of a dwelling on a particular day, whether or not jointly with another person
- a person who would be liable for the council tax in respect of a dwelling on a particular day, whether or not jointly with another person if that dwelling did not fall within Class O of the Council Tax (Exempt Dwellings) Order 1992 or Class E of the Council Tax (Liability for Owners) Regulations 1992

This exception applies where a person is required to reside in a job-related dwelling. It applies to a second home that is occupied periodically because a person is required to live in job-related accommodation elsewhere. It also applies where the job-related accommodation is a person's second home.

The definition of a job-related dwelling is given in the Schedule to the Regulations. Although this exception is similar to the job-related discount under the Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998, it differs because the discount only applies if the job-related dwelling is a person's sole or main residence.

Another difference from the job-related dwelling discount is that there is no requirement for the taxpayer to be liable for council tax in respect of 2 dwellings, meaning that a person who has either a main home abroad or a job-related dwelling abroad can also benefit from the exception.

Source: Welsh Government Guidance for local authorities on council tax premiums on long-term empty properties and second homes – March 2023

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# Integrated Impact Assessment document

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

<p><b>Name of the Officer</b> completing the evaluation</p> <p>Ruth Donovan</p> <p><b>Phone no:</b> E-mail: <a href="mailto:ruthdonovan@monmouthshire.gov.uk">ruthdonovan@monmouthshire.gov.uk</a></p>	<p><b>Please give a brief description of the aims of the proposal</b></p> <p>Council tax premiums for long term empty properties and second homes</p>
<p><b>Name of Service area</b></p> <p>Revenues</p>	<p><b>Date</b></p> <p>14<sup>th</sup> February 2023. Updated January 2024 for review of decision to charge premiums on second homes</p>

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**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	There are potential benefits to the proposal if this allows more local people to stay in their communities and support their older relatives.	There is evidence that profiles of second homeowners are generally middle aged or retired. Therefore, the introduction of a council tax premium on second homes could have a greater financial effect on older people.	Provide at least 12 months' notice of premiums to allow homeowners to plan for the future and to take mitigating actions.
Disability	None identified at this stage	None identified at this stage	None identified at this stage
Gender reassignment	None identified at this stage	None identified at this stage	None identified at this stage

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	None identified at this stage	None identified at this stage	None identified at this stage
Pregnancy or maternity	None identified at this stage	None identified at this stage	None identified at this stage
Race	None identified at this stage	None identified at this stage	None identified at this stage
Religion or Belief	None identified at this stage	None identified at this stage	None identified at this stage
Sex	None identified at this stage	None identified at this stage	None identified at this stage
Sexual Orientation	None identified at this stage	None identified at this stage	None identified at this stage

## 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.

	<b>Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage</b>	<b>Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
<b>Socio-economic Duty and Social Justice</b>	<p>The proposal has the potential to increase the available housing stock to the local community. Allowing families to stay together and support each other.</p> <p>The county is facing some specific issues in respect of house prices, an increasing demand for affordable housing and the use of temporary accommodation.</p> <p>Revenues raised from the premiums will be used to help address some for these issues in the future.</p>	<p>Second homeowners support their local communities, shopping locally etc. Some also rent out these properties bringing people into the county where they spend in the local community.</p> <p><b>January 2024 review:</b> this identified that there are still concerns for second homes operating as self-catering businesses. The review identified that it is still too early to determine the full impact to the local economy of both a council tax premium and other wider factors e.g. changes to self-catering letting criteria for business rates, a potential Tourism Levy and the current cost of living crisis.</p>	<p><b>January 2024 review:</b> The review proposes that, due to the ongoing uncertainty for the tourism sector, to introduce an exception to exempt properties that move across from the commercial list to the domestic list from paying a council tax premium for a period of 12 months (standard council tax will still apply). This will give businesses affected by the self-catering rule change some extra time to plan and adjust their business model to the council tax regime.</p>

### 3. Policy making and the Welsh language.

<b>How does your proposal impact on the following aspects of the Council's Welsh Language Standards:</b>	<b>Describe the positive impacts of this proposal</b>	<b>Describe the negative impacts of this proposal</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts</b>
<b>Policy Making</b>  Effects on the use of the Welsh language,  Promoting Welsh language  Treating the Welsh language no less favorably	Potential to keep local communities together and for Welsh Language skills to remain in the County.	None identified – considered to be small given the small number of second homes in the county.	None identified at this stage
<b>Operational</b>  Recruitment & Training of workforce	None identified at this stage	None identified at this stage	None identified at this stage
<b>Service delivery</b>  Use of Welsh language in service delivery  Promoting use of the language	None identified at this stage	None identified at this stage	None identified at this stage








**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 is 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?
<p><b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Positive: Potentially allows communities/families to stay together rather than having to move away to live and work.</p> <p>Premiums should encourage occupancy and bring properties back into use.</p> <p>Negative: Some second homes help to promote tourism, bringing visitors, jobs and investments to the county. Owners are currently paying 100% council tax and feel they are already contributing to the county. Changes elsewhere within wider rates legislation (e.g. Self Catering rules) have the potential to bring properties back into the Council Tax list and thereby also be liable for the premium. These owners are concerned about the impact this may have on their business.</p> <p><b>January 2024 review:</b> this identified that the negatives noted above are still relevant and continue to be a concern to second homes operating as self-catering businesses. The review identified that it is still too early to determine the full impact to the local economy of both a council tax premium and other wider factors e.g. changes to self-catering letting criteria for business rates, a potential Tourism Levy and the current cost of living crisis.</p>	<p>Inform rate payers of any decisions as early as possible to allow them to plan for the future.</p> <p><b>January 2024 review:</b> This noted that ratepayers affected by council tax premiums have been contacted, drawing their attention to the decision and providing information to help them plan for the changes.</p> <p>The review also proposed that, due to the ongoing uncertainty for the tourism sector, to introduce an exception to exempt properties that move across from the commercial list to the domestic list from paying a council tax premium for a period of 12 months (standard council tax will still apply). This will give businesses affected by the self-catering rule change some extra time to plan and adjust their business model to the council tax regime.</p>

<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
<b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	No impact	None identified at this stage
<b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood	No impact	None identified at this stage
<b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected	See above	None identified at this stage
<b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	No impact	None identified at this stage
<b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	No impact	None identified at this stage
<b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances	Potential to invest the premium into the supply of affordable homes in the area.	None identified at this stage

**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>There is the potential to utilise the income generated from these premiums to improve the supply of affordable homes in the county, which is a more longer term objective</p>	<p>None identified at this stage</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>None identified at this stage</p>	<p>None identified at this stage</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Public consultation ran for a period of four weeks to seek views on the proposal to introduce council tax premiums for long term empty properties and second homes. The views expressed were noted and considered as part of the decision making.</p> <p><b>January 2024 review:</b> This considered correspondence received from ratepayers in response to the original decision and the letters the council sent notifying ratepayers of the changes.</p> <p>The council also sourced information from the main trade association of self-catering suppliers to measure the potential impact to the sector.</p>	<p>None identified at this stage</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><b>Prevention</b></p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>It is proposed to use some of the revenue generated from these premiums to improve the supply of affordable homes in the county and to reduce the use of temporary accommodation. It is currently costing the Council circa £1m in Housing Benefit costs to fund these placements, diverting money away from other service areas.</p>	<p>None identified at this stage</p>
 <p><b>Integration</b></p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>None identified at this stage</p>	<p>None identified at this stage</p>

**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?**

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Safeguarding	None identified at this stage	None identified at this stage	None identified at this stage
Corporate Parenting	None identified at this stage	None identified at this stage	None identified at this stage

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

- Information from other councils who have introduced council tax premiums
- Welsh Government guidance
- Council tax database
- Public consultation

**January 2024 review:**

- Data from the Wales branch of the Professional Association of Self Caterers
- Review of tourism data from Monmouthshire 2022 STEAM
- Welsh Government guidance for council tax premiums
- Council Tax and Business Rate data held by our Revenues Shared Service

**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?**

**Positive:**

- Any additional revenue generated will be used to help address housing issues (e.g. affordability, availability and use of temporary accommodation) in the county.
- Potentially reduces the number of second homes and empty properties in the county releasing more homes for local people

**Negative:**

- The likely number of second homes in the county represents a relatively small proportion of the overall council tax dwellings in the county.
- Second homeowners generate income to the local community.
- Potential increase in the Revenues Team’s workload and resources for minimal additional income (depending on the percentage premium applied).
- The overall council tax collection rate may reduce if council taxpayers refuse to pay the premium.

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

<b>What are you going to do</b>	<b>When are you going to do it?</b>	<b>Who is responsible</b>
12399 48 If a decision is made to charge council tax premiums a notice will be published in the local press giving ratepayers 12 months notice of the change.	March 2023 – press notification - Completed. April 2024 – start charging premium	Revenues/Finance
A full review of properties listed as a second home and long term empty property will be undertaken	April 2023 to October 2023 - Ongoing	Revenues
The council will write to every ratepayer affected to check their details and notify owners of the charge	April 2023 to October 2023 - Completed	Revenues
Council Tax premiums will be reflected in the Council Tax base for the Authority in 2024/25 and built into the Medium Term Financial Plan	October 2023 to March 2024 - Actioned	Finance
On 9 <sup>th</sup> March 2023 Council determined to review the decision to charge a 100% council tax premium on second homes in the county from 1 <sup>st</sup> April 2024. Considering the likely effect that a council tax premium on second homes will have on the tourism industry in the county.	December 2023 to January 2024	Revenues/Finance
The 2024/25 annual council tax bills and all bills thereafter will include these premiums where applicable	March/April 2024 onwards	Revenues

**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.**

<b>Version No.</b>	<b>Decision making stage</b>	<b>Date considered</b>	<b>Brief description of any amendments made following consideration</b>
1	Consultation Responses	14/02/23	
2	Review of decision to charge a council tax premium on second homes from 1 <sup>st</sup> April 2024	December 2023	Propose to introduce a specific exception to help support businesses moving from the commercial list to the domestic list. The exception will exempt these businesses from the second home council tax premium for a period of 12 months (standard council tax will still apply).

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**Subject: COUNCIL TAX REDUCTION SCHEME 2024/25**

**Meeting: Council**

**Date: 18<sup>th</sup> January 2024**

**Divisions/Wards Affected: All**

## **1. PURPOSE:**

1.1 The purpose of this report is to:

- present arrangements for the implementation of the Council Tax Reduction Scheme and to approve it for 2024/25.
- agree to adopt the amendments to the Regulations, proposed by Welsh Government, as detailed in point 3.7.
- affirm that annual uprating amendments will be carried out each year without a requirement to adopt the whole Council Tax Reduction Scheme.

## **2. RECOMMENDATIONS:**

2.1 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.

2.2 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 2024/25 including the discretionary elements previously approved as the Council's local scheme from 1<sup>st</sup> April 2023.

## **3. KEY ISSUES:**

3.1 On 17<sup>th</sup> January 2019 Council adopted the Council Tax Reduction Scheme for 2019/20, in accordance with the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.

3.2 The Regulations approved by the Assembly are available as follows:

The Default Scheme

<http://www.legislation.gov.uk/wsi/2013/3035/contents/made>

The Prescribed Scheme

<http://www.legislation.gov.uk/wsi/2013/3029/contents/made>

The Senedd approved the Amendment Regulations incorporating the uprated benefits from April 2024 at a plenary session on 16<sup>th</sup> January 2024. The draft regulations are here:

[SL\(6\)425 - The Council Tax Reduction Schemes \(Prescribed Requirements and Default Scheme\) \(Amendment\) \(Wales\) Regulations 2024](#)

- 3.3 A failure to adopt a 'local' scheme by 31 January 2024 will result in the Default Scheme being imposed on the Council.
- 3.4 The Welsh Government's regulations for 2024/25 ensure claimants can continue to receive a reduction up to 100% of their Council Tax bill dependent upon their income and household circumstances.
- 3.5 Annual uprating regulations to increase benefits and personal allowances from April 2024 within the Council Tax Reduction Scheme were considered by a plenary session of the Senedd on 16<sup>th</sup> January 2024.
- 3.6 In addition to the annual uprating of allowances, there are a couple of other amendments to the 2013 CTRS Regulations. These make provision for the treatment of some other types of payments and ensure the 2013 Regulations remain up to date and fit for purpose.
- 3.7 These amendments allow for the following:

#### **Capital Disregards**

To ensure that the following payments are disregarded as capital:

- Widowed Parents Allowance back payments.
- Bereavement Support back payments.
- Post Office Compensation payments (Horizon Shortfall Scheme)
- The Vaccine Damage Payment Scheme – payments made in respect of a partner under the Vaccine Damage Payments Act 1979
- The Infected Blood Inquiry – payments made to infected persons, bereaved partners and beneficiaries of a deceased parent's estate.

All payments are to be disregarded indefinitely, except for Bereavement Support back payments which are subject to a 12 month disregard.

#### **Armed Forces Independence Payment**

Some further minor technical amendments are proposed to the 2013 CTRS Regulations to align provisions in Wales with England and housing benefit provisions. These ensure an applicant who is a pensioner and responsible for a young person who is in receipt of an Armed Forces Independence Payment is considered when calculating eligibility. The amendment also ensures that the list of matters which must be disregarded in relation to non-dependent deductions in relation to working age people also applies to pensioners.

#### **4. Background**

- 4.1 It was reported to Council on 28<sup>th</sup> January 2013 that the Welfare Reform Act 2013 included provisions to abolish Council Tax Benefit on 31 March 2013. From 1<sup>st</sup> April 2013, the responsibility for arranging support towards paying Council Tax and the associated funding transferred from the Department for Work and Pensions (DWP) to local authorities in England and to the Scottish and Welsh Governments. The UK Government's policy intention was to reduce expenditure on Council Tax and therefore to implement a 10 per cent funding cut.

- 4.2 The report to Council on 28<sup>th</sup> January 2013 referred to the Council Tax Reduction Scheme Regulations 2012 and the amending regulations 2013. Those regulations were for implementation during the 2013/14 financial year only and Council resolved to adopt a new scheme for subsequent years in accordance with new regulations approved by the Welsh Government.
- 4.3 The regulations for Council Tax Reduction include provision for support up to 100% of council tax. As noted, when presenting this issue in January, the regulations control the implementation of reduction schemes across the whole of Wales and are designed to ensure that each local authority consistently provides support for Welsh taxpayers.

## **5. The Reduction Scheme and discretionary areas**

- 5.1 Although a national scheme has been approved, within the Prescribed Requirements Regulations there is limited discretion given to the Council to apply additional discretionary elements that are more generous than the national scheme and which provide for additional administrative flexibility. Council approved the discretionary areas to be applied (listed below in 5.2) following public consultation. It is not proposed to change them in any way therefore no further consultation is required at this stage.
- 5.2 It is recommended to adopt the Scheme in the Prescribed Requirement Regulations as noted in paragraph 3.2. and to exercise the previously approved discretions as follows:
- The ability to increase the standard extended reduction period of 4 weeks given to persons after they return to work where they have previously been receiving a council tax reduction that is to end because of their return to work - it is not recommended to increase the standard extended reduction period.
  - Discretion to increase the amount of War Disablement Pensions and War Widows Pensions (including Armed Forces Independent Payments and Guaranteed Income Payment) which is to be disregarded when calculating income of the claimant - it is recommended to disregard the whole amount of War Disablement Pensions and War Widows Pensions.
  - The ability to backdate the application of council tax reduction regarding late claims prior to the new standard period of three months before the claim - it is not recommended to increase the backdated period.
  - To provide above the minimum level of information to customers to ensure they are appropriately notified of their award in accordance with legislation - it is recommended that we maintain the current standard provision.

Council approved these discretions on 17<sup>th</sup> January 2019.

- 5.3 There are no additional monies available from the Welsh Government to fund discretionary elements but they are allowed for within our existing budget.
- 5.4 Changes to pensions, benefits and allowances normally take effect every April and sometimes during the year. The scheme has to reflect the changes to benefits in order to adjust calculations of entitlement. This is part of normal Benefits administration. We are advised that the Council need to approve the annual uprating regulations each year without formal adoption of the whole scheme.
- 5.5 As the uprating of benefits is not an area of discretion the Council is not able to consult on it.

## **6. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING)**

- 6.1 There are no implications for sustainable development.
- 6.2 The scheme to be applied for 2024/25 does not contain any significant changes from the scheme that is currently operational.
- 6.3 The Welsh Government has undertaken a detailed 'regulatory' impact assessment, which includes equality impact assessment, and we understand that the findings reported were in line with their expectations.
- 6.4 Our Sustainability Community Officer has confirmed that under these circumstances there is no requirement to complete a Future Generations Evaluation.

## **7. OPTIONS APPRAISAL**

This is not applicable as there are no changes to the scheme that is currently in place. The report has been presented as the uprating regulations are effectively amendments to the main scheme, for which we need to obtain overall approval.

## **8. EVALUATION CRITERIA**

The scheme is largely prescribed by Welsh Government. Previous annual reports have reaffirmed the minimal discretions that the Authority can apply. These discretions have been found to be resilient and fair.

## **9. REASONS**

- 9.1 To agree the council tax reduction scheme for the forthcoming financial year as required by legislation.
- 9.2 To affirm the annual uprating prescribed by the Welsh Government.

## **10. RESOURCE IMPLICATIONS**

- 10.1 From 2014/15 onwards the Council Tax Reduction Scheme was funded through the Revenue Support Grant (RSG). The Council therefore needs to manage the cost of the Scheme within its annual budget.
- 10.2 Any additional costs for growth in caseload and/or increases in entitlement attributable to a rise in the overall level of Council Tax have to be managed and are built into our budget proposals for 2024/25.
- 10.3 Caseload has now returned to pre pandemic levels with current data indicating that there are approximately 5,550 active CTRS claims.
- 10.4 The provisional budget allocation, for 2024/25, of £8,347,719 is based on a 7% increase in Council Tax which is currently being used for budget modelling purposes. Any subsequent changes in the council tax increase will be reflected in the final budget proposal report.

## **11. CONSULTEES:**

Cabinet  
Strategic Leadership Team  
Chief Officer for Resources  
Head of Legal

**12. BACKGROUND PAPERS:**

None

**13. AUTHORS:**

Ruth Donovan – Assistant Head of Finance: Revenues, Systems and Exchequer

Tianna Thomas – Shared Service Benefits Manager

**14. CONTACT DETAILS:**

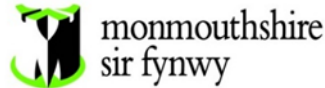
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**SUBJECT:** Asset Management Strategy and supporting policies

**MEETING:** Council

**DATE:** 18<sup>th</sup> January 2024

**DIVISION/WARDS AFFECTED:** ALL

**1. PURPOSE**

1.1 To seek approval for the 2023-2027 Asset Management Strategy and associated policies

**2. RECOMMENDATIONS:**

That Council:

2.1 Agrees to approve the Asset Management Strategy.

2.2 Agrees to approve the supporting policies, namely the Rental Concessionary Policy, Community Asset Transfer Policy and Disposal Policy.

2.3 To delegate authority to the Chief Officer for Resources, in consultation with the Cabinet Member for Resources, to update the Asset Management Plan annually.

**3. KEY ISSUES:**

3.1 The 2023-2027 Asset Management Strategy informs the way decisions and day-to-day management of MCC land and property is undertaken. It also establishes the supporting policy framework from which the strategy is implemented. The Asset Management Strategy is one of the Council's enabling strategies and supports the delivery of the Community and Corporate Plan.

3.2 The strategy reflects the strategic direction of the Council and establishes five core objectives for land and property:

- **A fit for purpose and collaborative estate** – providing assets necessary to deliver council services, in the right location, compliant and co-located where possible.
- **Be good role models for climate and nature practices** – managing our assets well, lowering our carbon footprint and promoting more sustainable practices.
- **Maximised and commercialised asset base** – generate more revenue and higher value outcomes (financial and non-financial) from sales of surplus assets.
- **Strengthen the enablement role of Landlord Services** – continue to support service objectives including job creation, tackling homelessness, constructing affordable homes, driving value for money.
- **Optimise social value from community assets** – support community assets equitably, transparently, and consistently.

3.3 The Asset Management Strategy is supplemented by a number of supporting policy documents that provide the framework from which decision making is undertaken. The relevant policies, their purpose, and changes are as follows:

- **Community Asset Transfer Policy** – strengthening of the application process, eligibility, and award criteria. This will enable long leasehold or freeholder transfer of community assets in circumstances where not-for-profit groups can provide community services.
  - **Rental Concessionary Policy** – changes to improve the parity and monitoring of rental grant on MCC assets. This will afford community groups that occupy MCC property the ability to apply for rental grant, i.e. a reduction in the rent payable, if they can demonstrate clear community and local benefits as a result of this concession.
  - **Disposal Policy** – clarity on the obligation to achieve best consideration, establishing a consistent approach to the disposal of surplus land and property that will maximise financial and social outcomes.
- 3.4 The strategy confirms the Investment Committee and Asset Investment Policy is to be moved into abeyance, with portfolio performance updates reported to the Performance & Overview Committee. Any new investment decisions are to be considered by Cabinet or Full Council via the established governance arrangements.
- 3.5 The Strategy introduces and updates governance arrangements from which the strategy will be implemented. This includes implementation of revised Capital and Accommodation Working Groups and new Service Asset Working Groups to assist service area property matters and transformation.
- 4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):**
- 4.1 The Equality and Future Generations Evaluation Assessment can be found alongside this Covering Report. The Asset Management Strategy will:
- A greater alignment to the Community and Corporate Plan, supporting policy objectives including the repurposing of surplus assets to meet affordable housing needs, increase the availability of employment space, to assist to address socio-economic inequality.
  - A fit for purpose asset portfolio that will be more accessible for all, in the heart of the communities they support.
  - A responsible and future focused strategy that emphasises the importance of biodiversity and the commitment for lower carbon design.
  - A more collaborative asset base that will work together with partners to reduce budget pressures, operational costs, and drive efficiencies.
  - Establish a more equitable and transparent approach to property decisions, such to support community facilities continue to deliver social value.

**5. OPTIONS APPRAISAL**

- 5.1 An options appraisal has been undertaken in Table One below and can be summarised as follows:

**Table One – Options Appraisal**

Option	Positives	Negatives	Recommended?
<b>Do nothing.</b>	The existing policies and strategy are sufficient to undertake the property management work.	An updated context, policy justification, etc. will not be captured.  The strategy will not build on the previous Audit Wales recommendations	No



		<p>and feedback on the 2017-22 strategy.</p> <p>The strategy will not benefit from clear strategic direction and alignment to the Community and Corporate Plan</p> <p>Will results in inefficiencies in day-to-day management.</p> <p>Confusion for public and wasted efforts (CATs, Farming tenders, etc.)</p>	
<b>Adopt Asset Management Strategy</b>	<p>Alignment of strategy with Community and Corporate Plan.</p> <p>Clearer decision-making framework.</p> <p>Updated legislation and practice advice.</p>	None	Yes

## 6. EVALUATION CRITERIA

- 6.1 The Asset Management Strategy's actions and performance framework is supported by an Asset Management Plan. The Asset Management Plan is updated annually and includes the performance framework and risks, which will be updated to reflect the priorities.

## 7. REASONS

- 7.1 The Asset Management Strategy is to be updated to reflect the Community and Corporate Plan.
- 7.2 The Council has a necessity to continue to reduce running costs, promote integrated hubs and co-location. It has several policy objectives (tackling homelessness, development of affordable housing, revenue generation, community empowerment) which the strategy will support.

## 8. RESOURCE IMPLICATIONS

- 8.1 The Asset Management Strategy provides the decision-making framework and governance arrangements for the Council's land and property assets. The supporting policies of the Asset Management Strategy, namely the Rental Concessionary Policy, Disposal Policy and Community Asset Transfer Policy, all impact the revenue and capital value received from the management of assets.
- 8.2 Informed by the Asset Management Strategy, individual decisions around the acquisition, disposal or sale of the Council's land and property assets will be

accommodated as part of the Council's annual budget setting process or on a case by case basis in accordance with the constitution.

- 8.3 The core principles of the Asset Management Strategy acknowledge the necessity to ensure our assets are fit for purpose and generating a financial or non-financial value. In circumstances where such value is not being achieved, consideration should be given to rationalisation and/or disposal of assets such to ensure delivery of the policy objectives captured within the Asset Management Strategy and associated Asset Management Plan.
- 8.4 The Landlord Services department will carry responsibility for the strategy's implementation. The strategy is supported by an Asset Management Plan, which contains the actions arising from the strategy (live and proposed) and will be updated annually.

## **9. CONSULTEES**

Cabinet

Senior Leadership Team

Landlord Services (Estates and Property Services)

Head of Finance

Legal Services

Communities and Place DMT

Resources DMT

The strategy has been formulated reflecting on examples of best practice, previous Audit Wales and Springing Forward reviews.

## **10. BACKGROUND PAPERS:**

Asset Management Strategy

Appendix 1 – Asset Management Plan

Appendix 2 – Rental Concessionary Policy

Appendix 3 – Community Asset Transfer

Appendix 4 – Disposal Strategy

## **11. AUTHORS:**

Nicholas Keyse – Acting Head of Landlord Services

## **12. CONTACT DETAILS:**

[nicholaskeyse@monmouthshire.gov.uk](mailto:nicholaskeyse@monmouthshire.gov.uk)



<p><b>Name of the Officer completing the evaluation</b> Nicholas Keyse</p> <p><b>Phone no:</b> 01633 6444773 <b>Email:</b> <a href="mailto:nicholaskeyse@monmouthshire.gov.uk">nicholaskeyse@monmouthshire.gov.uk</a></p>	<p><b>Please give a brief description of the aims of the proposal</b> Asset Management Strategy and supporting policies.</p> <p>The Asset Management Strategy provides the framework from which management of land and property is undertaken.</p>
<p><b>Name of Service area</b> Landlord Services</p>	<p><b>Date</b> 18<sup>th</sup> January 2024</p>

**1. 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 strategy will affect people of all ages as it relates to all property. Much of the operational estate is used to improve the well-being of all ages. The strategy will directly impact the provision of accommodation in Monmouthshire, such as the availability of social housing, housing associated with all ages and protected characteristics.	No negative impacts identified. The protected characteristics will be considered when taking any undertaking property decisions.	The Asset Management Strategy establishes the short and long-term objectives which will inform strategic decision making for the council's land and property. Any positive or negative impacts to these characteristics will be updated accordingly and at the point of any future Cabinet or Council decisions.

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?
Disability	The Asset Management Strategy reiterates the importance of having fit for purpose assets that are accessible to all. We will continue to support services in ensuring our assets meet the required standards for their user's requirements.	As above	As above
Gender reassignment	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above
Marriage or civil partnership	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above
Pregnancy or maternity	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above
Race	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above

<b>Protected Characteristics</b>	<b>Describe any positive impacts your proposal has on the protected characteristic</b>	<b>Describe any negative impacts your proposal has on the protected characteristic</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
Religion or Belief	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above
Sex	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above
Sexual Orientation	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above

## **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.

	<b>Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage</b>	<b>Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>

<p><b>Socio-economic Duty and Social Justice</b></p>	<p>The strategy will assist to address social inequality, including through the development of affordable housing and acquisition and/or repurposing of surplus assets to address the availability of homelessness accommodation. Landlord Services will continue to support the Social Services in the provision of improved facilities to support individuals within their care. This will assist to address issues of poverty, affordability, and access to services. Value will continue to be applied to the employment opportunities and apprenticeships schemes when undertaking development schemes (directly or indirectly through disposal of surplus assets).</p>	<p>There are no negative impacts associated with this proposal.</p>	<p>The opportunities to repurpose assets or invest to address policy objectives will continue to be assessed on their individual merits. The Asset Management Plan will carry an ongoing action relating to homelessness accommodation and collaborating with partners to undertake preventative action where the asset portfolio allows.</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
<b>Policy Making</b> Effects on the use of the Welsh language, Promoting Welsh language Treating the Welsh language, no less favourably	Opportunities to promote the Welsh language will continue to feature in the design decisions of new development schemes.	There are no negative impacts associated with this proposal.	N/A
<b>Operational</b> Recruitment & Training of workforce	Neutral impact. The strategy does not stipulate changes to any staffing structure however we will continue to encourage the appointment of Welsh Language speakers when recruiting and offer staff training wherever possible.	There are no negative impacts associated with this proposal.	N/A
<b>Service delivery</b> Use of Welsh language in service delivery Promoting use of the language	Landlord Services will continue to utilise the website to advertise lettings or disposal opportunities in English and Welsh.	There are no negative impacts associated with this proposal.	N/A

**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!



<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
<p><b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p><b>Positive:</b> The Asset Management Strategy will drive efficiencies in the way we deal with property matters, making for more effective use of our assets. The AMS will continue to support policy objectives relating to job creation, maximising the availability of employment space within the portfolio.</p> <p><b>Negative:</b> None</p>	<p>Landlord Services already support colleagues in Housing and Social Care to acquire and refurbish properties to deliver their service objectives. This will continue to feature in the Asset Management Plan.</p>
<p><b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g., climate change)</p>	<p><b>Positive:</b> One of the AMS core objectives is operating as good role models for climate and nature practices. We will continue to action opportunities to lower our carbon footprint and promote more sustainable practices wherever possible. The AMS commits to utilise renewable technology and energy efficiency solutions on MCC assets where technically possible and viable, including incorporating carbon sequestration in new build design and decision making.</p> <p><b>Negative:</b> N/A</p>	<p>When undertaking maintenance repair or replacement activity on Council assets, we will continue to feature whole life costings and carbon performance within our decision making.</p>






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?
<p><b>A healthier Wales</b> People's physical and mental wellbeing is maximized, and health impacts are understood</p>	<p><b>Positive:</b> The AMS emphasises the importance of collaborating with community assets to optimise social value and outputs. This includes the availability of important recreation and community facilities that occupy MCC land or property. MCC will continue to explore ways of enhancing this provision, such as has been achieved via the Magor and Undy Community Hub project. <b>Negative:</b> N/A</p>	<p>Green infrastructure and active travel will continue to be supported, either through the repurposing of land or as part of the design considerations of any new schemes, improving the access to healthier and more carbon friendly means of travel.</p>
<p><b>A Wales of cohesive communities</b> Communities are attractive, viable, safe, and well connected</p>	<p><b>Positive:</b> The AMS and its supporting policies clarify the requirements for community groups and not-for-profit organisations to occupy MCC assets, including eligibility and application for rental concessions and community asset transfers. This will assist MCC to continue to ensure these assets are being fully supported and achieving the desired outputs. It's core objective around a maximised estate will increase the availability for inward investment where voids are identified in the commercial portfolio. <b>Negative:</b> N/A</p>	<p>Landlord Services will continue to engage with occupiers of community assets to ensure the policies are being appropriately accessed and monitored accordingly. The AMS will improve the pathway by which community groups can explore opportunities for community initiatives on MCC land/property, including the support of colleagues in Communities and Place when formulating a business case or expression of interest in Community Asset Transfer.</p>
<p><b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local</p>	<p><b>Positive:</b> Property decisions will be taken with the climate and nature impact/opportunity featuring firmly in its</p>	<p>We will continue to take a duty of care as a responsible landlord/property owner to identify those assets worst performing from</p>

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?
social, economic, and environmental wellbeing	<p>decision making. We will seek to deliver practical and cost-effective examples of low carbon measures to reduce the council's running costs and reduce its carbon footprint.</p> <p><b>Negative:</b> N/A</p>	<p>an energy perspective and consider the required investment or alternative use to mitigate this impact. We will continue to increase access to community growing and allotment facilities, working with town and community councils to reduce waiting lists and increase the availability of growing opportunities.</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage, and Welsh language are promoted and protected. People are encouraged to do sport, art, and recreation</p>	<p><b>Positive:</b> The asset portfolio will continue to use and promote the Welsh language, including at reception facilities in our corporate buildings and on signage within our operational buildings and spaces.</p> <p><b>Negative:</b> N/A</p>	N/A
<p><b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances</p>	<p><b>Positive:</b> The AMS will ensure our buildings are being optimised, appropriate for staff and service users, with partnership as a core principle and an ability to evolve to the service demand. This will include ensuring they are appropriately accessible to all, in the right locations and best meeting current and future need.</p> <p><b>Negative:</b> N/A</p>	<p>The AMS will continue to promote joint working and service co-location wherever the creation of integrated hubs can enhance service delivery, life-long learning and educational experiences. Service asset plans and a strategic mapping exercise undertaken with directorate leaders to review existing accommodation and if they accessible to meet the requirements of their users.</p>

**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 data-bbox="203 579 358 655">Long Term future</p> <p data-bbox="405 363 555 616">Balancing short term need with long term and planning for the</p>	<p data-bbox="591 309 1310 635">The AMS introduces alignment of the policy objectives of the Community and Corporate Plan with the strategic direction of the land and property estate. This core principles of the AMS reflects both the immediate objectives and long-term considerations of the portfolio, including whole life costs, the commitment towards net zero, and the necessity to reduce running costs whilst increasing revenue and capital generation.</p>	<p data-bbox="1330 309 2018 488">The Asset Management Plan will be reviewed annually to ensure it aligns to the immediate priorities of the organisation, however it's performance indicators and actions will be inclusive of several long-term objectives.</p>
 <p data-bbox="203 1007 371 1035">Collaboration</p> <p data-bbox="412 794 562 1011">Working together with other partners to deliver objectives</p>	<p data-bbox="591 719 1310 1082">The AMS targets a collaborative and maximised land and property portfolio within its core principles. The strategy establishes the framework from which day-to-day property management decisions can be taken to continue to strengthen the relationships between MCC and existing community partners and occupiers. This includes partnerships that facilitate opportunities to reduce budget pressures, MCC's operational costs and where service delivery can be improved.</p>	<p data-bbox="1330 719 2018 932">MCC already benefits from strong working relationships with Housing Associations, the Health Board, Gwent Police and Town/Community Councils. We will continue to work with these partners to deliver the objectives of the Asset Management Strategy.</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>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The Asset Management Strategy has been formulated through a combination of professional advice (from RICS-qualified surveyors) and engaged with directorate leads and service providers. The supporting policy changes are informed by experiences with tenants of community buildings and the ambition to improve the efficiency of our property and asset management.</p> <p>The Asset Management Plan will enable the success of this strategy and its engagement (from partners, community groups, MCC colleagues, etc.) to be monitored and reviewed.</p>	<p>Landlord Services will continue to engage with our tenants and occupiers of community assets to communicate the implementation of these policies. We continue to reflect on these proposed changes in our engagement on live matters, including during the negotiation of lease renewals or extensions.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The Asset Management Strategy will clarify the strategic direction of property assets and establish a clear policy framework that will inform property recommendations and decisions. The core objectives will provide greater clarity on the decision making and governance arrangements, such to drive efficiencies and maximise the use of resources. This includes the use of vacant accommodation within the portfolio to offset the need for more expensive or inappropriate temporary accommodation with the associated expenditure.</p>	<p>To continue to enhance the availability of data to inform strategic decisions, a new asset management system is being designed and procured. This will replace the existing property management system and seek to improve the availability of property data across directorates.</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="237 555 376 587"><b>Integration</b></p> <p data-bbox="203 603 528 746">Considering impact on all wellbeing goals together and on other bodies</p>	<p data-bbox="589 312 1294 603">The Asset Management Strategy reflects the working principles set out in the guidance for compliance with the Well-Being of Future Generations Act. The core objectives will asset the Council's land and property to contribute to well-being goals, including making sure the decision making is considering long term impact alongside any immediate or short-term decisions.</p>	<p data-bbox="1335 312 1391 336">N/A</p>

**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?**

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Safeguarding	The Asset Management Strategy will support services with direct responsibility for safeguarding our residents, including through the provision of safe and secure accommodation.	None.	N/A
Corporate Parenting	The Asset Management Strategy will support Corporate Parenting through the implementation of the actions within the Asset Management Plan.	None.	N/A

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

The Asset Management Strategy has been formulated through engagement and workshops with Cabinet Members, Senior Leadership Team and service managers in different directorates and support services. This strategy has also been informed by overlapping strategies including the Decarbonisation Strategy and the Economy, Employment and Skills Strategy. This has assisted in collating information on the service priorities, their experiences with assets and property requirements, as well as an opportunity to communicate the required governance around property decisions, management and occupation. The strategy's contents have also been informed by the findings of Welsh Government's Springing Forward Review, Audit Wales' capital monitoring review and Audit Wales' review of the 2017-22 AMS. The strategy is aided by relevant guidance from the Royal Institution of Chartered Surveyor's (RICS) and legislation such as Section 123 of the Local Government Act 1972 and the General Disposal Consent (Wales) Order 2003.

**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?**

Positive -

The positive impacts of this proposal are:

- A greater alignment to the Community and Corporate Plan, supporting policy objectives including the repurposing of surplus assets to meet affordable housing needs, increase the availability of employment space, to assist to address socio-economic inequality.
- A fit for purpose asset portfolio that will be more accessible for all, in the heart of the communities they support.
- A responsible and future focused strategy that emphasises the importance of biodiversity and the commitment for lower carbon design.
- A more collaborative asset base that will work together with partners to reduce budget pressures, operational costs and drive efficiencies.
- Establish a more equitable and transparent approach to property decisions, such to support community facilities continue to deliver social value

**Negative**

None identified.

**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
Implementation of the strategy and its associated actions. The Asset Management Plan will be updated annually to reflect the Council’s priorities.	On-going.	Head of Landlord Services.

**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.**

<b>Version No.</b>	<b>Decision making stage</b>	<b>Date considered</b>	<b>Brief description of any amendments made following consideration</b>
1.	Governance and Audit Committee	11 <sup>th</sup> January 2024	
2.	Performance and Overview Committee	15 <sup>th</sup> January 2024	
3.	Full Council	18 <sup>th</sup> January 2024	





# MONMOUTHSHIRE COUNTY COUNCIL

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## ASSET MANAGEMENT STRATEGY 2023-2027



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## FOREWORD

I am pleased to present our Council's Strategic Asset Management Strategy. Asset Management is the function which Monmouthshire County Council (MCC) uses our land and property. Our Asset Management Strategy reflects the objectives of our Community and Corporate Plan, our response to budget pressures and increasing demands on services. It is necessary to improve our operational efficiency and financial performance. Our strategy will help to achieve this.

A well-managed, understood and maintained portfolio is a reflection of a modern and well-run local authority. It provides the physical asset from which good value and a positive contribution towards service delivery is achieved. This strategy will establish a long-term, sustainable strategy for our assets based on a thorough assessment of needs and benefits, supported by clear performance framework, embedded governance arrangements, and informed by proactive engagement with key internal stakeholders.

This Asset Management Strategy will seek to provide our Council with:

- Clearer strategic direction for property assets
- Clearer operational property management parameters
- A clear policy framework to inform property decisions
- A better understanding of our portfolio
- An annually reviewed action plan to monitor progress
- A better co-ordinated property function



***Councillor Garrick***

***Cabinet Member for Resources***

## EXECUTIVE SUMMARY

The 2023-27 Asset Management Strategy sets out the strategic objectives for our land and property. The strategy sets out the way property will be managed and contribute to the policy objectives of the council. The Asset Management Strategy provides a clear vision of the future of property assets and management of their strategic performance.

This report provides the local and national context that informs property management decisions, including alignment to the Community and Corporate Plan. It is informed by the climate and nature emergency declaration, budget pressures and a necessity to reduce operating costs, and a desire to streamline services with increased asset collaboration. The strategy will look to stimulate regeneration, creating jobs and employment space, develop affordable housing, generate revenue, and support communities and the facilities within them.

Asset Management Strategy objectives-

- **A fit for purpose and collaborative estate** – providing assets necessary to deliver council services, in the right location, compliant and co-located where possible.
- **Be good role models for climate and nature practices** – manage our assets well, lowering our carbon footprint and promoting more sustainable practices.
- **Maximised and commercialised asset base** – generate more revenue and higher value outcomes (financial and non-financial) from sales of surplus assets.
- **Strengthen the enablement role of Landlord Services** – continue to support service objectives including job creation, tackling homelessness, constructing affordable homes, driving value for money.
- **Optimise social value from community assets** – support community assets equitably, transparently, and consistently.

MCC benefits from a diverse land and property portfolio that has delivered a commercial return over a number of years. There are over 1500 assets in MCC ownership which support different services and public needs.

Asset Type	No. of assets
Play Areas and Open Space	362
Acquired Investment Assets	3
Commercial and Industrial Sites	62
Educational premises (primary, secondary, nursery)	46
Leisure, Tourism and Heritage Assets	17
Car Parks	43
Allotments	4
Social Care and health premises/facilities	7
Cemeteries	4
County Farms (farms, grazing land, cottages)	90
Community Assets	49
Operational assets (hubs, depots, offices)	38
Public Conveniences	17

The Asset Management Strategy establishes the policy arrangements that will support the strategies objectives. This includes:

- **Community Asset Transfer Policy** – this will enable long leasehold or freeholder transfer of community assets in circumstances where not-for-profit groups can provide community services.
- **Rental Concessionary Policy** – this will afford community groups that occupy MCC property the ability to apply for rental grant, i.e. a reduction in the rent payable, if they can demonstrate clear community and local benefits as a result of this concession.
- **Disposal Policy** – this will establish a consistent approach to the disposal of surplus land and property, clarifying how the council will achieve its requirements for best consideration.

The Asset Management Strategy confirms the governance arrangements and structure that supports the day-to-day management of MCC land and property. Under the Asset Management Strategy, Landlord Services will manage, lease/let, acquire or dispose, maintain and support MCC assets. This will add both financial and non-financial value to the organisation. The strategy reaffirms the following working groups:

- **Landlord Services and the Landlord Services DMT** – the structure of the department and responsibility to manage the implementation of the strategy, the day-to-day operation and undertaking the actions.
- **Capital and Accommodation Working Groups** – established to consider capital pressures and accommodation decisions across directorates, with membership of officers from Estates, Property Services, Legal Services and Finance.
- **Service Asset Working Groups** – tasked with the creation of service asset plans, establishing working groups that can support property considerations in service transformation.

The Asset Management Strategy is supported by an action plan (the Asset Management Plan) and a performance framework. The performance of the assets is reported via the budget process and monitoring. The Plan will be reviewed annually to monitor progress of the plan against these core objectives.

The AMS enables efficient management of our land and property, in a way that will improve our outputs and impacts (financial and social value) whilst being affordable, sustainable and achievable.

## INTRODUCTION

MCC benefits from a diverse land and property portfolio that has delivered a commercial return over a number of years. The portfolio has supported communities through the availability and use of its assets. MCC's allocated sites in the 2011-2021 Local Development Plan (LDP) have been sold or developed, and new development opportunities are being sought in the new Replacement Local Development Plan that will support the delivery of policy aspirations (housing, job creation, tourism, renewable technologies).

MCC benefits from strong relationships with public bodies (e.g. Gwent Police, Natural Resources Wales, Social Landlords) and development partners that have enabled development schemes in the county. Despite the challenges of the pandemic, MCC's investment and commercial portfolio remains well occupied and in good demand. Work is to be done to strengthen the internal relationships and discipline around property management and interaction through the organisation.

The Asset Management Strategy is one of the Council's enabling strategies. It sets out the strategic direction for property management for the Council's administrative cycle (2022-2027). The strategy assists in driving change in local government, enabling flexible operations (to adjust to pressures and service demands) whilst providing a clear vision of the future of property assets and management of their strategic performance. The Asset Management Strategy is impacted by and supportive of MCC's enabling strategies (procurement, digital, financial, etc).

## WHAT IS 'ASSET MANAGEMENT'?

The Royal Institution of Chartered Surveyors (RICS) defines strategic asset management as “the activity of aligning property assets with the strategic aims and direction of the organisation and adding both financial and non-financial value to the organisation as a result”<sup>1</sup>.

Asset Management is a strategic function with responsibility for ensuring property performs coherently to an agreed set of goals. Under the Asset Management Strategy, Landlord Services will manage, lease/let, acquire or dispose, maintain and support MCC assets. This will add both financial and non-financial value to the organisation.

The principle aims of strategic asset management are:

- Clarity on the strategic direction for property assets.
- A better understanding of our portfolio
- Clearer operational property management parameters
- A clear policy framework to inform property decisions
- An annually reviewed action plan to monitor progress
- A better co-ordinated property function

The Asset Management Strategy is the strategic planning document that establishes the suite of policies and policy positions. It provides clarity on the decision making and governance. It establishes the process by which activity is undertaken and collaboration achieved within and between organisations, with an agreed framework for measuring performance.

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<sup>1</sup> *Strategic Public Sector Property Asset Management. RICS Practice information, global, 3<sup>rd</sup> edition, October 2022*

## CONSULTATION

Critical to the success of any Asset Management Strategy is the engagement and support of property users and occupiers. In formulating this strategy, engagement and workshops have taken place with the Cabinet members, the Senior Leadership Team and service managers in different directorates and support services. This strategy has also been informed by the formulation of overlapping strategies including the Decarbonisation Strategy and Economy, Employment and Skills Strategy. All stakeholders have been asked to comment on:

- *What does a modern, innovative and well-run land and property portfolio look like to you?*
- *What is the purpose of your area of the property portfolio? i.e. “what is it for” and “what are the desired outcomes”?*
- *What is your service objective and how does it relate to land and property?*

This has assisted in collating information on the service priorities, their experiences with assets and property requirements, as well as an opportunity to communicate the required governance around property decisions, management and occupation. The intel from those engagement sessions has informed the basis of this strategy. It is for that reason that this is a Council strategy, rather than only a property strategy, with shared ownership to drive effectiveness.

The strategy’s contents have also been informed by the findings of Welsh Government’s Springing Forward Review, Audit Wales’ capital monitoring review and Audit Wales review of the 2017-2022 AMS. The latter review acknowledged that MCC had ‘a good understanding of its assets’, however it ‘lacks a strategic approach and effective information technology to support the management of its assets’. The review recommended that MCC develop short, medium and long term performance indicators, an IT asset management system that was more comprehensive and a strategy with clear embedded governance arrangements. This strategy seeks to build on this feedback.



## NATIONAL CONTEXT

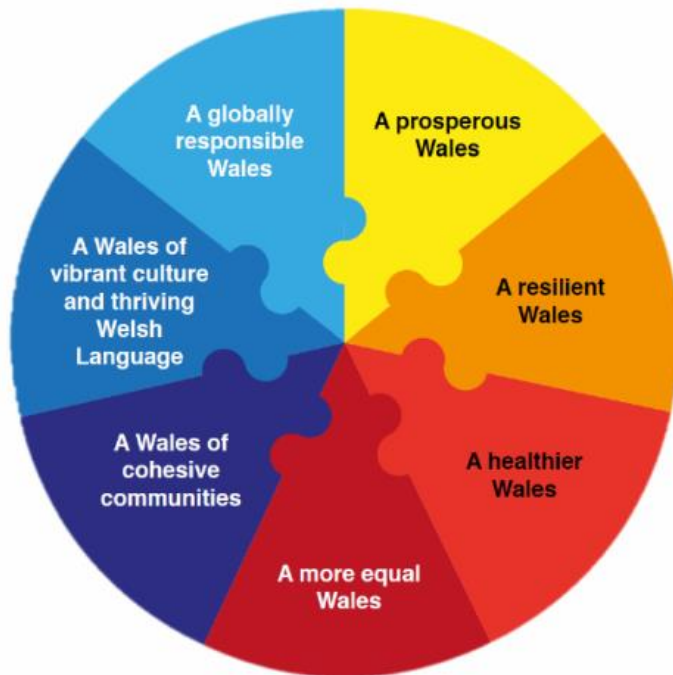


Figure 1: The Well-Being goals for the Future Generations Act

The Well-Being of Future Generations Act is the fundamental legislation that informs the development of Council policy. It ensures present needs are met without compromising the ability of future generations to meet their own needs. The Asset Management Strategy will reflect the working principles set out in the guidance for compliance with the Well-Being of Future Generations Act. The seven well-being goals for the Act are shown in the diagram under Figure 1. The Asset Management Strategy contributes to MCC's alignment to

the seven national objectives.

Nationally, climate change continues to be a catalyst of asset management transformation. The operational efficiency of buildings, coupled with low carbon commitments and a necessity for strategic decisions to be taken around the reduction of operating costs, has a direct impact on the national approach to strategic asset management. There is a necessity to identify opportunities to commercialise property portfolios where possible. The streamlining of services and movement to new models of service delivery have increased the need for asset collaboration and sharing of budgets and resources. There is a national need to stimulate regeneration and halt or reverse the decline of town centres. Property managers are being tasked with creating a more agile or dynamic operating model which enables the property function and asset base to respond to some of these shared challenges. It is critical that the asset base itself remains flexible, considerate of whole life costs (not a short-term approach to strategic decisions) and achieving better environmental outcomes.

## LOCAL CONTEXT

Monmouthshire is made up of diverse communities covering an area of 880 square kilometres, with a population of 93,000 and a low population density of 1.1 people per hectare. The county benefits from a wide range of community groups, and one of the strongest economies in Wales. It is well placed for growth with circa 4,500 active businesses (2022) ranging from international companies to small family enterprises. A number of these community groups and businesses are supported through the council’s property estate. Monmouthshire has the highest house prices in Wales averaging £382,000 (Hometrack, December 2022), more than 9 times average earnings. This has contributed towards higher-than-average land values, impacting the level of development achieved in county, as well as the capital receipts generated from disposal of development sites.

## COMMUNITY AND CORPORATE PLAN

An effective asset management framework has clear alignment with that of the organisational culture and that of the Community and Corporate Plan (C&CP). Monmouthshire’s Community and Corporate Plan sets the direction for the council and county of Monmouthshire, articulating the authority’s purpose and prioritising alongside the steps we will take to deliver these and the measures that will be used to track progress. The core purpose of the Community and Corporate Plan is “to become a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life”. The Asset Management Strategy will operate as one of a number of key enabling strategies to be approved by Cabinet and Full Council, that supports the delivery of the Community and Corporate Plan. The objectives of the C&CP are illustrated below:



Figure 2: The Community and Corporate Plan Objectives.

In addition to the above, MCC is motivated by a series of core values, all of which inform the contents and formulation of the Asset Management Strategy:



Figure 3: Monmouthshire County Councils Core Values

The Asset Management Strategy bridges the gap between corporate vision and the asset portfolio, management and performance. The Community and Corporate Plan describes objectives that this strategy will seek to support, including the reduction in reliance of temporary homelessness accommodation, increase in availability of affordable housing, creating a thriving and ambitious place to redevelop town centres and facilitating investment to attract more people to the towns. The asset management strategy will also in part support aspirations around the improvement of river health, more sustainable agricultural practices, and reducing the LA's carbon footprint. The Asset Management Strategy sets out how MCC will manage and develop its assets in accordance with this national and local context. The strategy goes beyond what the Council owns. It's about the focus of the organisation, its aspirations and how the portfolio will support those initiatives and outcomes.

Monmouthshire County Council's asset base continues to be impacted by the same issues facing local authorities. The changes to working practices in post-pandemic markets (i.e. an increased movement towards agile working), the climate crisis and increases in digital solutions/innovation are changing the approach to asset management and associated strategies. It's critical that a flexible approach is taken to day-to-day management of assets to respond to service demand.

The Medium-Term Financial Plan and approved 2022-23 Budget acknowledges a necessity to reduce revenue and capital spend in response to budget pressures and overspends. It is critical to enhance income generation opportunities where possible, continue to commercialise the asset base and with due consideration for the climate emergency and carbon agenda. In accordance with the existing Asset Management Strategy, the property management functions have continued to operate in accordance with this strategy. In the 2022/23 financial year, long standing commitments around community enablement, such as the BREEAM 'Excellent' rated Magor and Undy Community Hub (MUCH) has been constructed, as well as continued development of the exemplar 'dementia care' scheme of Severn View Parc Care Home in Caldicot.



*Figure 4: MUCH Project – Magor & Undy Community Hub*

MCC's strategic residential candidate sites in the existing Local Development Plan have been sold and are under construction, contributing more than £15,000,000 of capital receipts to the Council's 21<sup>st</sup> Century School's programme, as well as facilitating Section 106 contributions to support Adult Recreation and other initiatives.

The Replacement Local Development Plan 2022-2032 (RLDP) is being formulated, with the Preferred Strategy shortly open for public consultation. The RLDP will identify land within the county which may be suitable for different types of development, and the Preferred Strategy will establish the preferred level of growth (housing and employment) as well as the strategic site allocations and policies to implement the strategy. As part of the Stage 1 and Stage 2 Call for Candidate Sites, 9 sites were promoted on MCC land for a range of uses such as residential and commercial development, tourism, renewable technology, etc.

Any RLDP land allocations within MCC ownership present an opportunity for MCC to meet a range of objectives including bring forward housing development, inclusive of a high percentage of affordable homes and with net zero carbon design.

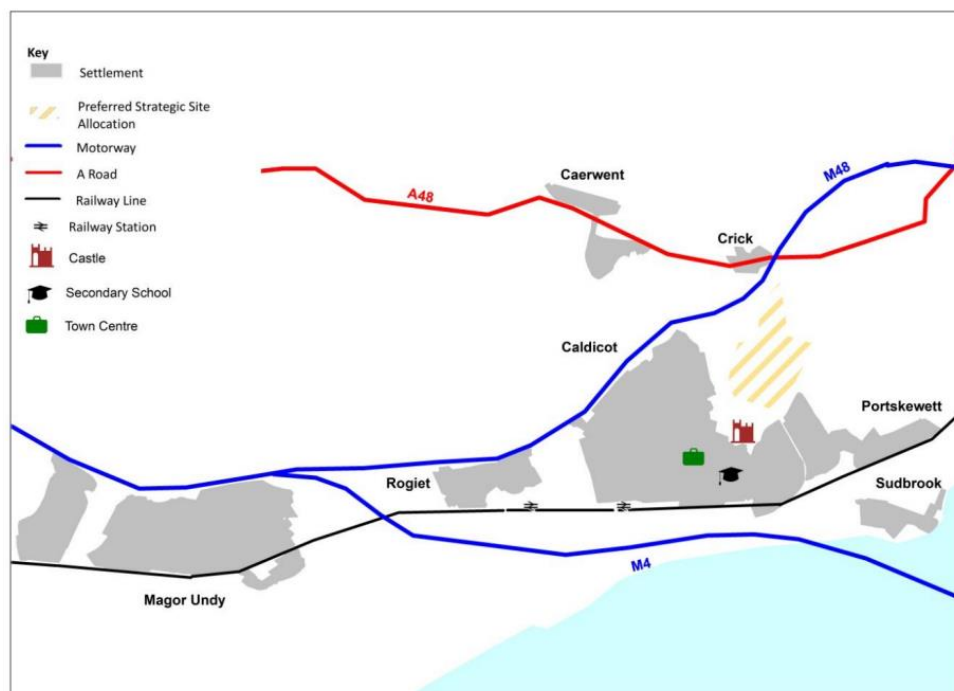


Figure 5 - RLDP Preferred Strategy Update Sept 2023 – 'East of Caldicot' MCC Strategic Site

Despite the shared and clear economic challenges facing the county, Monmouthshire remains well placed as the 'gateway' to Wales for potential inward investment and development. There is a strong demand for residential and commercial development and our economy continues to perform to its maximum capability. Investment is required to satisfy the latent demand for employment and residential accommodation. A diverse range of community groups and proactive volunteers exist within our communities, which the property estate helps to support and enable. The Asset Management Strategy will acknowledge this context in the formulation of its strategic purpose and Asset Management Plan.

## STRUCTURE OF THE ASSET MANAGEMENT STRATEGY

MCC's Asset Management Strategy (AMS) reflects and details the alignment of our property assets with the strategic aims and direction of the organisation. The principal intention of the AMS is to establish a high-level summary of those assets in our ownership, their purpose, the processes and systems that govern them, and the cultural and financial context within which they are operated. The AMS outlines an understanding of how we intend to optimise and maximise our assets, including clarity on a direction of travel for property managers and users with sufficient flexibility to adapt to a changing environment and market. The AMS enables efficient management of our land and property, in a way that will improve our outputs and impacts (financial and social value) whilst being affordable, sustainable and achievable.

In order to clearly demonstrate the contexts and intended outcomes of the Asset Management Strategy, the following structure has been applied:

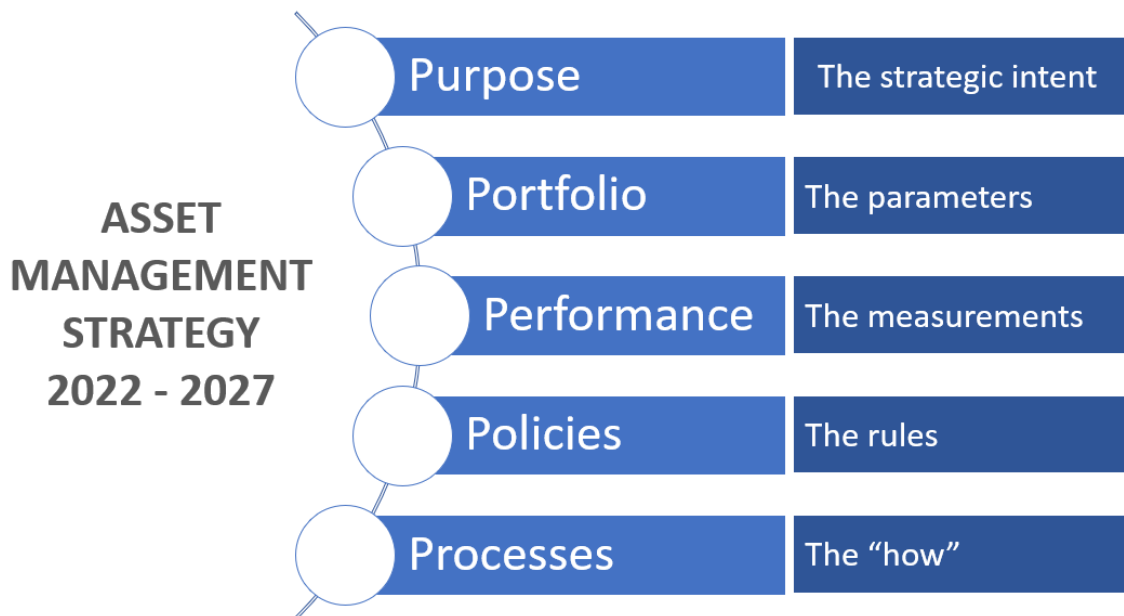


Figure 6 - Asset Management Strategy structure

The structure above will provide the framework within which strategic decisions will be taken going forward. This will ensure parity is achieved, and assets managed consistently and equitably, with the required flexibility to adjust the pressures of modern local government.

# STRUCTURE AND STRATEGY

The appendices of the Asset Management Strategy will include the Asset Management Plan (or Action Plan) which will set out the actions outlined in the Asset Management Strategy document. The Asset Management Plan will be updated annually to assess and track performance. The appendices will also include each of the supporting policies relevant to the management of the Council's asset portfolio, as outlined in the 'Policies' section of the Asset Management Strategy and Appendices 1 to 5. Figure 7 illustrates this structure:

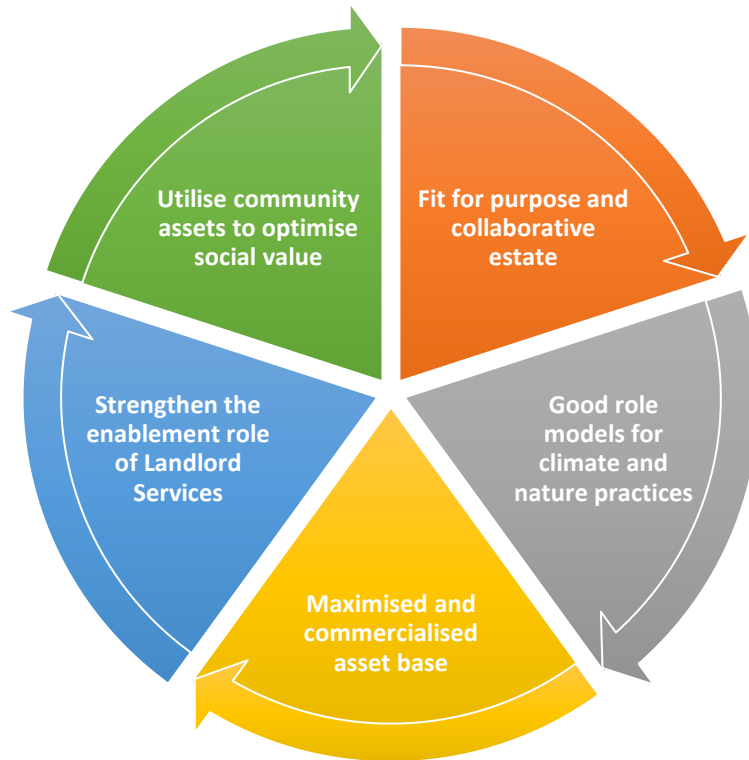


Figure 7: Asset Management Strategy structure.

# PURPOSE

## STRATEGIC PURPOSE

In order to manage the portfolio in such a way that best meets the needs of the organisation, it is critical that clear strategic intent is established. Reflecting on the objectives of the Community and Corporate Plan, and with acknowledgement of those objectives in an asset or property context, five core objectives have been established to inform the strategic direction of MCC's Asset Management Strategy:



*Figure 8: Strategic Purpose - Five Core Objectives*

The strategic aspiration is to develop a land and property portfolio that is able to meet the five core objectives. To achieve these objectives there are a series of behaviours that need to be exhibited in relation to the portfolio. Sometimes acknowledging there will be circumstances where these aspirations appear to be in conflict. Maintaining a balance between these objectives will be critical to ensuring the desired outcomes are achieved, at speed and in the most efficient way possible. These objectives will assist in ensuring the organisation can operate a 'best run, best value' property portfolio with measurable outcomes:



## Objective: Fit for purpose and collaborative estate

A land and property portfolio that is optimised, appropriate for service providers and users, and has partnership as a core principle, constantly evolving to respond to asset and service demand:

# BEHAVIOUR

Work with directorates to determine whether the spaces they occupy remain fit for purpose, in the right places, accessible and best meeting current and future service needs, in order to continue to deliver the preventative benefit of services located in the heart of their communities.

Promote joint working and service co-location wherever the creation of integrated hubs can enhance service delivery, life-long learning, and educational experiences.

Continue to ensure compliance with statutory health and safety requirements (legionella, fire, etc.), addressing critical maintenance issues or risks proactively.

Utilise improved access to data to inform the planned maintenance programme, ensuring critical maintenance is undertaken on those buildings most requiring investment, and better forecast spend for reactive maintenance.

Develop service asset plans and undertake a strategic mapping exercise with directorate leaders to review existing accommodation, identify opportunities to collaborate with partners, and any regional provision or unmet demand the asset base could support.

Collaborate with partners (Gwent Police, Health Board, Eliminate Team, RSL's) to generate fees, reduce budget pressures, operational costs and where service delivery can be improved.

Support the use of assets for preventative work, such as supporting Housing in the creation and repurposing of property to support temporary, supported and permanent housing accommodation.



Figure 10 - Gwent Police HQ, design and supported by Property Services



Figure 9 - Abergavenny Hub

## Objective: Good role models for climate and nature practices

A land and property portfolio which takes decisions which set good practice for climate and nature, demonstrating practical examples that can be replicated by partners and the private sector:

### BEHAVIOUR

Manage farms in a way that promotes sustainable agricultural practices. Continue to apply value to the strengthening of local supply chains and engage with farming tenants around opportunities for small scale horticulture opportunities or diversification.

Utilise renewable technology and energy efficiency on council land and property where technically possible and will derive best carbon benefit, incorporating carbon sequestration in new build design and re-design decision making.

Support the roll out of ReFit, EV charging and implementation of the Decarbonisation Strategy, future proofing services and lowering long-term running costs through the commitment to deliver net zero or low carbon initiatives as part of planned maintenance replacement, and at the design stage of new build development projects and property refurbishment.

Continue to partner with other stakeholders (NRW, Farming Connect, etc.) to strengthen the tenant base knowledge of water management practices and understanding of flood management principles, contributing to address the nature emergency and rivers and oceans action plan.

Continue to feature green infrastructure and active travel prominently in the design considerations of all new schemes, developed directly by MCC or indirectly through disposal.

Take a duty of care as a responsible landlord to identify those worst performing assets from an energy perspective and consider the required investment or alternative use.

Increase access to community growing and allotment facilities, working with town and community councils to reduce waiting lists and increase the availability of growing opportunities.



Figure 11 - Wallstones Farm



Figure 12 - 3-19 Abergavenny build

## Objective: Maximised and commercialised asset base

A land and property portfolio that is financially responsible, operating viably and sustainably in a way that best achieves its intended outcomes:

### BEHAVIOUR

Strengthen occupancy in buildings we need, and closing those that we don't. Continue to re-let, dispose or repurpose surplus assets or property with void space. Reduce operational costs and therefore the ongoing maintenance liability wherever possible.

Continue to review the performance of the investment estate and commercial portfolio, taking decisions that enable us to maximise the receipts and financial return, balancing the desire for financial return with demonstratable social and economic benefits (job creation, new employment space, business growth, etc.)

Reassess capital projects and pressures, supported by appropriate governance arrangements and with clear alignment to council objectives.

When land or property is identified as surplus, ensure best financial and social value is achieved wherever possible.

Improve the sharing of property data to inform strategic thinking and alignment of enabling policies, whether supporting Economic Development through job creation and the increased availability of employment space, or Regeneration through town centre intervention.

Minimise vacant space within the investment portfolio, reducing rental arrears wherever possible and generate returns through the implementation of rent reviews, lease renewals or redevelopment where appropriate.

Ensure best financial and social consideration is achieved from capital receipts through the rationalisation, sale and development of surplus council assets.



Figure 13 - Monmouth Market Hall



Figure 14 - Castlegate Business Park

## Objective: Strengthen the enablement role of Landlord Services

A land and property function (Landlord Services) which supports and enables services delivery, improving the organisations understanding of property matters and achieving value for money with a strong customer experience:

<b>BEHAVIOUR</b>	Strengthen the existing arrangements around property maintenance and liability, renewing Service Level Agreements with directorates and providing clarity on building manager responsibilities
	Design, procure and implement a new asset management system that improves the access and availability of property data to inform strategic planning.
	Strengthen the understanding of and access to services to support other council functions and goals, including the creation of active travel links, combatting of homelessness, development of affordable housing development, children services and education provision, etc,
	Improve the building training provision for staff and site managers, to achieve greater understanding of compliance requirements and responsibilities.
	Continue to create compliant accommodation and spaces that are appropriately maintained and accessible.
	Provide professional services to other areas of the authority, seeking value for money through the review and performance management of framework contractors and procurement frameworks.
	Ensure tenant works on the operational estate are undertaken with the appropriate landlord consents and having been subject to competency checks, protecting the council in the review and control of property decisions.



Figure 15 - Support with gypsy and traveller potential pitch identification

## Objective: Utilise community assets to optimise social value

A land and property portfolio which is equitable and offers parity, supporting the occupation of an asset that ensures parity, transparency, and consistency:

<b>BEHAVIOUR</b>	Adopt a consistent community enablement role for the asset base, managing spaces in a way that promotes economic and social value and delivery of cultural and environmental outputs, equitably.
	Utilise town centre-based assets to explore alternative means of repurposing vacant high street space, operating as a facilitator and enabler.
	Strengthen relationships with existing community partners and occupiers, continuing to ensure that robust monitoring of trading performance is in place to ensure parity and equity is achieved, with rental grant awarded proportionally.
	Review the Community Asset Transfer policy and the system by which community groups and interested parties can be best supported, working with the Community Development Team to create stronger and more connected communities.
	Target appropriate lease terms that support the sustainability of a particular asset and use, granting tenancy agreements that increase the opportunity to access grant funding and capital investment.
	Promote and stipulate the requirement for apprenticeships and added benefits when undertaking disposals or development schemes on surplus assets.
	Work to ensure equalities and accessibility are fully considered in development of service area asset plan.



Figure 16 - Bridges Centre, Monmouth



Figure 17 - Abergavenny Community Centre

# PORTFOLIO

## PORTFOLIO

Monmouthshire County Council benefits from a portfolio with a net book value of £375,000,000 (as of July 2023) and around 1500 land and property assets. The asset base is diverse, with a range of different properties meeting different service and public needs. Council assets have come into MCC ownership over many years, through a mixture of acquisition, donations, or council/government reorganisations. In order to maximise the output of these respective asset types, it's important that a fluid and flexible approach to asset management is taken (such to adjust to the changing environment) in a manner that is still disciplined and consistent. It is critical to understand the 'property parameters' within which this aspiration can be delivered. A good knowledge and understanding of the ownership, strengths and weaknesses of the portfolio will help to inform the ability to meet the purpose:

A summary of the respective asset types and number of assets within that type can be found below:

Asset Type	No. of assets
Play Areas and Open Space	362
Acquired Investment Assets	3
Commercial and Industrial Sites	62
Education premises (primary, secondary, nursery)	46
Leisure, Tourism and Heritage Assets	17
Car Parks	43
Allotments	4
Social Care and health premises/facilities	7
Cemeteries	4
County Farms (farms, grazing land, cottages)	90
Community Assets	49
Operational assets (hubs, depots, offices)	38
Public Conveniences	17
Assets under construction	4

*Table 1: Asset types and number of assets within the Council's portfolio.*

Many of the asset types in Table 1 serve similar purposes, be it for income generation or social value. Asset types can also serve multiple purposes and will not necessarily be fixed to one objective over another (e.g a county farm holds capital value as potential future development or capital receipt, generates income through rent, and can facilitate objectives around the promotion of sustainable farm practices or improved flood management).

The performance of the assets is reported via budget monitoring and Performance & Overview Committee. All assets should cover their own costs or generate income, if determined to be held for that purpose/objective.

## COMMERCIAL ASSET INVESTMENTS

### OBJECTIVES

- Maximised and commercialised asset base

Monmouthshire County Council adopted an Asset Investment Policy in May 2018, with a further amendment to the policy approved in February 2019, which afforded the authority the powers to acquire property to meet policy objectives. The commercial asset investment portfolio contains the strategic sites that are to generate a revenue return to MCC, and/or afford regenerative or social benefit via the ownership of strategic investments.

### CASTLEGATE BUSINESS PARK

Castlegate Business Park, Caldicot is a 217,000 sqft mixed use site situated over 18 acres of land adjoining the Caldicot settlement. The site is a mixture of offices and production/warehouse space. Despite the surrender of 130,000 sqft by Mitel in March 2022, the property has benefited from several new occupiers and expansion by existing tenants. In July 2022 MCC secured the single largest warehouse letting in Wales of over 89,000 sqft. The property is 85.8% let. The site benefits from a co-working/hireable meeting room initiative ('MonSpace') which enables businesses and residents to hire individual meeting rooms or share flexible desk space. The site is facilitating business growth and inward investment into Monmouthshire.



Figure 18: CastleGate Business Park, Caldicot



## NEWPORT LEISURE PARK

Newport Leisure Park (NLP) was acquired in March 2019 and comprises of a mix of six restaurants/takeouts, two retail units and three leisure units within an 11-acre site. The asset was materially impacted by the Covid pandemic, resulting in all tenants unable to trade for a period of months, some of which were unable to recover and subsequently voids created. The asset is 97.5% occupied and continues to generate a strong financial return.

Ongoing management and monitoring of the performance of assets is supported by officers within MCC's Finance, Estates and Legal departments. Investment Assets are supported alongside the wider

functions and responsibilities of Landlord Services. Departments are in regular contact with the appointed external managing agents for the respective sites. The maintenance of the



Figure 19 - Title plan of Newport Leisure Park



Figure 20 - Castlegate BP's 'MonSpace' initiative

sites is funded via service charge, paid for by tenants, with MCC only contributing towards costs for the void areas. Both sites are considered to be in a good condition generally. A review is ongoing as to the suitability of the site for low carbon initiatives that would seek to reduce the running cost, improve the attractiveness of the space for prospective tenants and reducing MCC's contribution towards those costs. Roof top PV, solar car ports and an EV charging hub are all being explored.

## INVESTMENT ASSETS

The investment portfolio, or 'legacy estate', consists of a varied mix of property, that have transferred into MCC ownership over a number of years. They are held primarily to generate income and facilitate economic development. Investment assets can be declared surplus or redeveloped in circumstances where revenue, capital generation or other opportunities to meet policy objectives are identified. The estate will continue to be reviewed for additional opportunities to address budget pressures and aid recovery plans. The investment portfolio is managed by the Estates Department under a range of different lease agreements and

legislative requirements. Despite the challenges of the pandemic and a necessity to afford occupiers more flexible terms (e.g payment plans for settling arrears), the portfolio has performed well and exceeded forecasted income levels. Under this Asset Management Strategy, rent reviews, lease renewals and our response to management issues or assignments will be primarily motivated by a desire to increase revenue returns.

The investment portfolio can be divided into the following sub-classes:

- Commercial, Retail and Office Assets
- Industrial Units
- County Farms

## COMMERCIAL, RETAIL AND OFFICE ASSETS

### OBJECTIVES

- a maximised and commercialised asset base,
- good role models for climate and nature practices,
- fit for purpose and collaborative estate

MCC hold 23 retail units across town centre/neighbourhood shopping areas. Many are held on long leasehold interests, with the freehold having been transferred to Monmouthshire Housing Association as part of the Housing Stock Transfer. The portfolio is spread across concentrations in Caldicot, Chepstow, Abergavenny, Monmouth and Goytre. A range of businesses and retail uses operate from these spaces, including local butchers, hairdressers, convenience stores, etc. The retail units are 95% occupied.



Figure 21: Hanbury House, Chepstow

The commercial portfolio also includes office lettings at locations in Chepstow, Monmouth and Magor. The management and reletting of office space has materially changed as a consequence of the pandemic. The expectation of occupiers has evolved, with an increased

movement towards smaller lettings or more flexible lease arrangements, with businesses downsizing as workforces move to a more agile model of operation. In order to retain interest and compete to re-let vacant spaces, rental concessions and enabling works (e.g subdividing large open plan rooms) may be needed to attract new occupiers. We will review and act in an agile and responsive manner to respond to market demand and conditions.



*Figure 22 - Innovation House, Magor*

Innovation House in Magor is the former Council offices which were vacated at the start of the pandemic. Following consolidation of a number of services into Usk County Hall and other operational premises, the building will continue to be marketed for potential occupiers. MCC also benefit from an employment allocation in Local Development Plan that has yet to be developed due to insufficient demand. There is an acknowledgement that the Monmouthshire economy is currently performing to its maximum, with a lack of pre-developed space and market finding it difficult to meet demand. Land and property such as Phase 3 Rockfield Farm, Magor and Innovation House may present opportunities for owner-occupiers to invest, as the market seeks to recover and this will be explored under this strategy.

The units within the commercial and retail portfolio are mixed in their condition, with the majority of the repairs picked up by the tenants or the responsibility of the head leaseholder.

The commercial portfolio also includes diverse investments such as Bryngwyn Livestock Market in Raglan, and the 5MW solar farm at Oak Grove Farm, Caerwent. The diversity of the portfolio is a strength and will continue to be used to support different policy commitments, including the reduction in MCC's carbon footprint and ownership in local

shopping outlets in town centres or neighbourhood shopping areas, which are invaluable to the communities they serve.

## INDUSTRIAL UNITS

### OBJECTIVES

- a maximised and commercialised asset base,
- good role models for climate and nature practices,
- fit for purpose and collaborative estate.

The Council's industrial portfolio comprises of 40 industrial units ranging in size from 365 sqft to 2,850 sqft, located at three locations within the Severnbridge Industrial Estate in Caldicot and at an enterprise park in Raglan. These units primarily cater to start-up businesses or smaller occupiers, for which there a high demand in the county. The estate has



*Figure 23 - Old Pill Farm Industrial Estate*

a high retention rate, with tenants generally only vacating to secure larger premises elsewhere. The portfolio has a record of being fully let. The projected income in 23/24 is £213,000. The industrial units also serve as accommodation for a range of Council services, including Waste, Grounds and Transport depots, storage for Museums and office accommodation for Countryside. A number of

tenants have been moved onto fully repairing and insuring lease agreements. Under this strategy, lease renewals will be negotiated which should result in rental uplift. The estates will continue to be used to maximise the available space for economic development within the county.

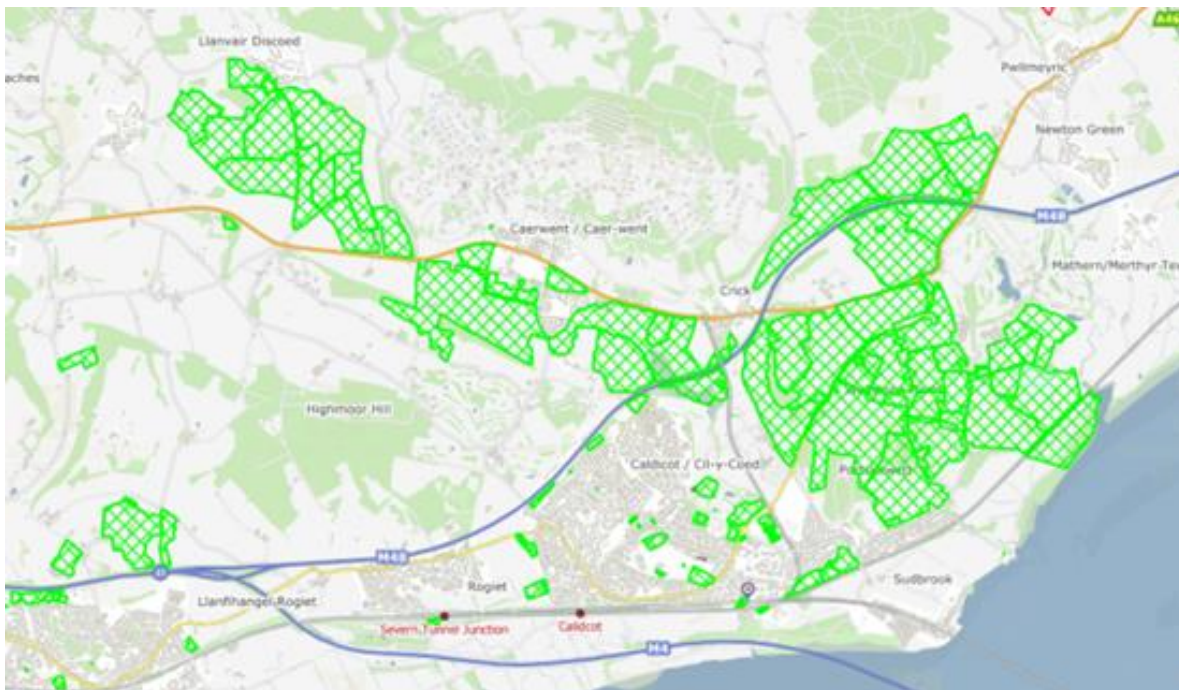
## COUNTY FARMS

### OBJECTIVES

- fit for purpose and collaborative estate
- good role models for climate and nature practices,
- a maximised and commercialised asset base,
- strengthen the enablement role of Landlord Services

The County Farms portfolio consists of a combination of farm holdings, grazing land parcels, orphaned woodland and farm cottages. In total, the Council has 24 farm holdings and 40

areas of bare land amounting to 1,122 hectares (2,773 acres) of land, primarily located in the south of the county and in the Severnside area. The majority of the holdings are mixed livestock farms with few remaining dairy units. There are 3 market gardens. The farm holdings are primarily occupied on lifetime and retirement tenancies under the Agricultural Holdings Act 1986, which limit the ability for the landlord to increase rental values or flexibility in management. In circumstances where farms become vacated (either through surrender or passing of the tenant), new Farm Business Tenancies are granted. These agreements have more freedom to contract including setting higher rents and for the landlord to manage the holding (e.g. repairing obligations and a defined term so as to have potential to regain vacant possession).



*Figure 25 - Areas highlighted in green indicate land 'leased out', the majority of which is MCC farm holding or grazing land in the Magor, Caldicot and Chepstow areas*

The portfolio is currently maintained through an allocated county farms capital maintenance budget, which is used to support investment in fixed equipment such as cess pits and septic tanks. Investment will be required under this strategy to continue to future proof the portfolio and support good land management practices, including carbon sequestration and repurposing poorly managed arable land where opportunities exist for new grassland or woodland.

The county farms remain a valuable asset, generating a commercial return and being situated in a location of strategic and developable value (i.e. outside of phosphate constraints, flood zones, connected to existing highways networks). In a rural county they continue to hold amenity, landscape and biodiversity value, and under this strategy will be used to promote diversification opportunities, including small horticulture business and renewable technology. One of MCC's farm holdings has been utilised for renewable technology development, with Oak Grove Farm being home to a 5MW solar farm. The portfolio continues to hold potential for wider renewable technology development.

In circumstances where farms are available to relet, there is a high competition for holdings and significant interest has been received. When awarding tenders, value will continue to be applied to those farmers that can demonstrate how they will implement more sustainable farming and land management practices, including enhancing the resilience of the ecosystems and diversifying or selling produce locally to develop supply chains. Three lettings in 2023



*Figure 26 - Oak Grove Solar Farm*

have made good on these commitments, running mixed farms with a variety of enterprises on site, and becoming active members of a local regenerative agriculture discussion group, contributing to discussions, and attending events on the principles of sustainable grazing and soil management.

MCC's tenants at Lower House Farm, Caerwent have applied, successfully, to join a 12-month regenerative agriculture mentoring scheme and have been paired with the world-renowned consultant Ben Taylor-Davies (Regen Ben). Together they will seek ways to reduce artificial inputs, increase soil health, water and air quality, and animal welfare, and improve business performance. This scheme has improved connection with other Monmouthshire farmers on the scheme, and with the cross-sector collaboration behind it, comprising Ben himself, MCC, Monmouthshire Food Partnership, ACE Monmouth, and Size of Wales. The Asset Management Strategy will continue to promote partnership arrangements that will enable tenants to lower their carbon footprint and improve the portfolio's environmental impact, increasing access to high quality advisors (Farming Connect, Natural Resources Wales, etc.) and technical support, and supporting the development of a more prosperous and resilient agriculture industry.

Wallstones Farm, Portskewett the tenants have reached into their community and provided a new route to market for other farms by setting up a direct-sales business, Monmouthshire Fayre. Through this they sell boxes of free-range grass-fed meat produced by themselves and other local farms that share their values. They intend to include other staple foods (fruit and vegetables, bread, etc.) in future, if the venture proves successful.

Long term, the portfolio continues to provide development opportunities and sites that afford opportunities to do this will be managed accordingly. The county farm portfolio has been classified as core and non-core holdings, 'core' defining its appropriateness for development. Core farms will continue to be retained for potential future development opportunities.

## OPERATIONAL PROPERTIES

### OBJECTIVE

- fit for purpose and collaborative estate.
- good role models for climate and nature practices,
- a maximised and commercialised asset base,
- Strengthen the enablement role of Landlord Services

Much like the investment portfolio, the operational estate is varied in its make up, respective uses and locations. Operational assets deliver a mixture of frontline services, service provision, and support to local communities. MCC benefits from a good representation in the respective towns but its availability of property and corporate buildings is not uniform.

Working environments have changed, with office space adjusting to the working environment. Agile working, desk booking and adjusted facilities arrangements (i.e. different expectations of service users as to the way they interact with services) has required asset management to equally adjust. Hubs are increasingly more integrated. Educational premises are including allowance for community use/spaces. Depot infrastructure is evolving to future proofing demands and an increased EV charging/fleet. Usk County Hall has been transformed into a mix of co-working and bookable desk and meeting space environments. This Asset Management Strategy will continue to support this accommodation reform. We will also continue to feature and promote flexible co-working, improving the knowledge of and availability of booking spaces or drop-in desks across the portfolio, ensuring parity is afforded to the workforce in the quality of environments they work from.

In education, MCC has benefited from a programme of new school constructions, creating plaza-based teaching environments which are of good condition and climate conscious. Much of the public and school estate benefits from roof top solar PV. The King Henry 3-19 School development will be the first net zero school development in Wales. A review is ongoing as to any future provision of a Welsh medium school and the accommodation requirements of the Pupil Referral Unit, whose relocation or new site development will be supported by Landlord Services.



Figure 27 - King Henry VIII 3-19 School Development CGI's

Hubs in various towns have transformed to meet the changing customer expectations following the pandemic, responding to the different ways service users interact with property and the importance of these assets and services being based in the heart of their communities. A continued movement towards integrated hubs is required and will be supported, acknowledging the value and footfall they provide to the areas.

Landlord Services and Social Care will continue to work collaboratively to complete the development of the new Severn View Parc Care Home in Caldicot, which is the replacement care home to Severn View Care Home in Chepstow. The development has been facilitated through the acquisition of land, disposal of residential development land to Melin Homes, and collaborative procurement of a development contractor to deliver the new care home. The care home itself and surrounding development will feature exemplar dementia friendly design principles at its core, driving operational efficiencies in an environment that prioritises the creation of a home over that of an institutional care facility. These principles and pursuit of exemplar schemes will continue to be a feature and objective of the strategy when undertaking new development.



*Figure 28 - Severn View Parc Care Home*

MCC Waste, Grounds and Highways services are provided from a range of locations and working depots across the County. In the south of the county in particular, investment is required in existing infrastructure to support the service in the future proofing and transformation of service delivery (e.g. expansion of fleet and move to more sustainable power solutions). In Stage 2 of the Replacement Local Development Plan, land has been promoted for the potential of a new 'super depot' which would seek to bring together the different south of the county depots in a single location which creates operational efficiencies and releases surplus assets for income generation or development. A service



area working group will be created to consider the design and financial business case for such a proposal.

MCC benefits from a range of leisure spaces, museums, and heritage spaces. It supports traditional trader’s markets at Abergavenny, Monmouth and Caldicot. It has an outdoor education centre in Gilwern and prominent heritage and amenity assets at Caldicot Castle and country park, Tintern Rail station and Shire Hall in Monmouth.



Figure 29 - Shire Hall, Monmouth

Under the Asset Management Strategy and associated Action Plan, the operational estate will continue to be reviewed for opportunities to reduce running costs and assess how to best meet corporate need. Properties such as Monmouth Market Hall, where space is being consolidated to relocate to Shire Hall, can be re-let or repurposed. The continued model of integrated hubs rather than isolated silos is necessary.

Greater clarity is required around maintenance responsibility and

knowledge of the estate amongst building operators, such to reduce backlog maintenance and assist the formulation of the planned capital maintenance programme. The “processes” section of this strategy acknowledges the working groups and forums within which these matters will be considered.

## COMMUNITY ASSETS

### OBJECTIVE

- fit for purpose and collaborative estate
- good role models for climate and nature practices,
- a maximised and commercialised asset base,
- Utilise community assets to optimise social value

Whilst all assets can be argued to be providing an indirect form of community benefit, ‘community assets’ are defined as those properties directly let to community groups or organisations on less than commercial terms. The portfolio consists of 49 community assets that are let to a range of not-for-profit organisations, community groups and voluntary organisations. The occupations are on a wide range of different lease and license agreements, with different terms (generally long) and rentals applied (ground leases, peppercorn rents, subsidised rents). The majority of the estate is let on “community rental values”, which reflect the not-for-profit nature of those groups operating.

Many of the existing groups access rental grants via MCC, a rental concessionary policy (appendices 2) which enables organisations to seek a reduction in their rental payment if they can demonstrate tangible community value being delivered. The application of this policy will be reviewed as part of this strategy’s implementation. This will ensure community assets continue to perform in accordance with the rental concessionary award and that any percentage of rental relief afforded is still appropriate and proportional to their financial performance.

MCC also support several Town and Community Council’s to occupy premises in our various towns and villages. These include the Drill Hall in Chepstow, Goytre House, Abergavenny Town Hall and the former household waste recycling centre in Usk. A number of MCC-owned public conveniences are also opened and operated by Town and Community Councils. The Asset Management Strategy will continue to explore opportunities to enhance the outputs of community assets and partnership arrangements, including supporting access to grant funding where it derives a tangible benefit and improvement to the asset.

## MISCELLANEOUS

### OBJECTIVE

- fit for purpose and collaborative estate
- good role models for climate and nature practices,
- a maximised and commercialised asset base,
- Strengthen enablement role of Landlord Services
- Utilise community assets to optimise social value

In addition to the above, MCC also benefits from a range of different specialist uses which serve to support its policy aspirations. MCC has various highway infrastructure (roads, bridges, etc.) within its ownership, however the Asset Management Strategy does not consider the highway infrastructure, vehicles or fixed assets held by the Council, which are each subject to their own strategy documents.



*Figure 30 - Monmouth Allotments*

MCC has 4 allotments it supports, two of which it manages directly. Ongoing consideration will be given to the merits of town and community council’s taking on management responsibility for the sites, supported by allotment associations. This strategy will continue to explore opportunities to increase the availability of community growing and allotment spaces, as per the commitments of the Community and Corporate Plan.

MCC also benefit from an extensive list of public open space and amenity land that provide a range of community, recreational and biodiversity benefit. These land parcels will continue to be managed in a manner that aligns with the climate and nature emergency, including planting schemes and natural flood management such as wetlands.

MCC operates four cemeteries: Llanfoist, Llanelly, Chepstow and Monmouth. Presently, Monmouth can only offer new cremated remains plots, burials in previously reserved plots and reopening of existing graves. Plans are in place to offer new burial plots in Monmouth in 2024.

The cemetery service also maintains Old Hereford Road Cemetery and the grounds and associated listed structures (not including the Church buildings) of St Mary's Priory Abergavenny, St Mary's Priory Monmouth and St Mary's Priory Chepstow. In addition, the cemetery service also manages a number of war memorials within the County. Under this strategy, work will continue to identify additional burial spaces throughout the county. This work will explore potential sites on council and privately owned property.

# PERFORMANCE

## PERFORMANCE FRAMEWORK

In order to monitor and drive success of the asset management strategy and its proposed purpose, it's critical to establish the key performance indicators and framework within which progress will be assessed.

Property performance metrics will help to determine strategic decisions. To aid the implementation of the Asset Management Strategy, a new property management software will be specified and procured in order to allow for more robust data management and access. This will reduce the holding of redundant data and improve our information security and data standards. The performance of the assets is reported via the budget process and monitoring. All assets should cover their own costs or generate income, if determined to be held for that purpose.

Whilst the strategy relates to the administrative period, it is necessary that a long-term approach is taken to the realisation of benefits and the objective delivery. Therefore a mix of short, medium and long-term indicators will be applied to assess the ongoing performance of the portfolio. These include but are not limited to the following:

- Portfolio specific actions, tied to particular service priorities or accommodation changes
- Tangible property data, updated regularly and such to inform strategic decision making.
- Financial targets – income, capital receipts, etc.
- Development targets – linked to purpose and corporate vision.
- Corporate and Community Plan targets – consistent with those reported under the plan.
- Reduction in total footprint

Further metrics may be adopted over the lifetime of this strategy to provide appropriate oversight and insight into the management of the asset portfolio. From time to time, review of metrics may require the alteration of indicators to provide improved reporting.

To ensure the performance towards the purpose can be accurately measured, tracked targets will be introduced in a number of areas. The targets and performance framework will be captured with the Asset Management Plan, which will be reviewed annually and assist in informing effective performance management. Metrics will be reviewed by Cabinet.

Bench marking initiatives and the sharing of performance can be achieved through professional networks (Royal Institution of Chartered Surveyors, Association of Chief Property managers in the Public Sector). For strategic management purposes, the following indicators will be focused on which will assist the development of the direction of travel.

# POLICIES

## POLICIES

The management and decision making around the portfolio must be informed by a clear strategic framework from which decisions can be taken. A clear policy framework will help to deliver the performance and purpose of the strategy and the day-to-day support system from which strategic decisions can be taken and the portfolio managed. The structure of the policy framework is below.



Further to the Community and Corporate Plan, and the enabling strategies to be read in parallel with this report, the following policies are critical to the Asset Management Strategy's delivery:

### COMMUNITY ASSET TRANSFER POLICY

Community Asset Transfer (CAT) is a policy by which Local Authorities can elect to grant long leasehold interest (25 years or more) or freehold transfer property from its ownership to a community group if it's considered better placed to assist the delivery of community services. The CAT policy allows the consideration of transfers where:

- a property is not required to meet the Council's long-term needs,
- where a community activity will be carried out as a result,
- where the activity cannot be achieved more effectively, or
- where the asset does not have a high capital or opportunity value to the council that would provide a financial return or capital return.

The primarily role of the CAT policy is community empowerment.

In considering CAT applications, MCC will continue to strike a balance between CAT applications and the necessity to act commercially, maximising assets to generate capital receipts from assets declared surplus.

To date, MCC has formally approved one application (Undy AFC) via the CAT policy, however a number of other historic and long leasehold agreements exist within the portfolio. Expressions of interest have been received for a number of other assets (Melville Centre, Raglan MUGA, Abergavenny Community Centre, Monmouth Cemetery).

The application details and further explanation of CAT can be found in Appendix 3.



*Figure 31: Melville Theatre, Abergavenny*

## RENTAL CONCESSIONARY POLICY

The Rental Concessionary Policy affords community groups that occupy MCC property the opportunity to apply for rental grant, i.e. a reduction in the rent payable, if they can demonstrate clear community and local benefits as a result of this concession. The policy is aimed at supporting occupiers who facilitate recreational uses, trustees, community groups or societies, often managed by volunteers. The occupation by community groups transfers the liability of maintenance and running costs from MCC to the occupiers, as well as providing a more cohesive approach to community mobilisation, positioning those potentially better placed to provide support.

A large number of the existing community lettings are historic and operate on differing terms. In order to achieve parity and equity across the occupation of community space, leases should be let on a commercial rent (depending on the use). The tenant may then apply for rental grant, rather than agreeing a reduced rental on the assumption of rental grant eligibility. This approach will create equity for tenants and the council as a publicly funded body. Rental grant can be applied for up to 95%, as outlined in the policy in Appendix 2. As part of the Asset Management Strategy implementation, a review of the application of



this policy will be undertaken in conjunction with the policy update. 33 community groups currently access the rental concessionary policy, which amounts to a £133,000 annual concession by MCC to support community groups.



*Figure 32: Caldicot Castle Football Club*

## DISPOSAL POLICY

In circumstances where property is deemed surplus to requirements and can be sold, the Disposal Strategy provides the process by which this happens and considerations for doing so. To enable a consistent approach to the disposal of surplus land and property, the Disposal policy clarifies the circumstances within which the council will achieve its requirements for best consideration, whilst supporting the Council's objectives as per the Community & Corporate Plan and Asset Management Strategy.

The Asset Management Strategy acknowledges a need for assets to align to its five core objectives. In circumstances where properties are considered to not meet this criteria, have alternative development potential or can be rationalised to unlock capital receipts, the Council's Disposal Policy can be exercised to support the disposal of surplus assets.

# PROCESSES

## PROCESSES- THE 'HOW TO'

Critical to the application of the Asset Management Strategy is the governance structure, capacity and competency within the organisation to deliver its purpose. The Head of Landlord Services is the responsible senior officer for the execution of the Asset Management Strategy. This includes annual review of the Asset Management Plan. The supporting property related governance includes:

- **Landlord Services and the Landlord Services DMT** – manage the implementation of the strategy, the day-to-day operation, undertake the actions and consider property proposals.
- **Capital and Accommodation Working Group** – established to consider capital pressures and accommodation decisions across directorates.
- **Service Asset Working Groups** – to be established in accordance with the service asset plans, as outlined in this report.

## LANDLORD SERVICES & LANDLORD SERVICES DMT

The delivery of a successful Asset Management Strategy will be achieved through a cohesive corporate landlord model, with clear governance arrangements to ensure transparency in the management of the estate. MCC's Corporate Landlord Services, the department with primary responsibility for land and property matters, consists of supporting functions as per the diagram below:

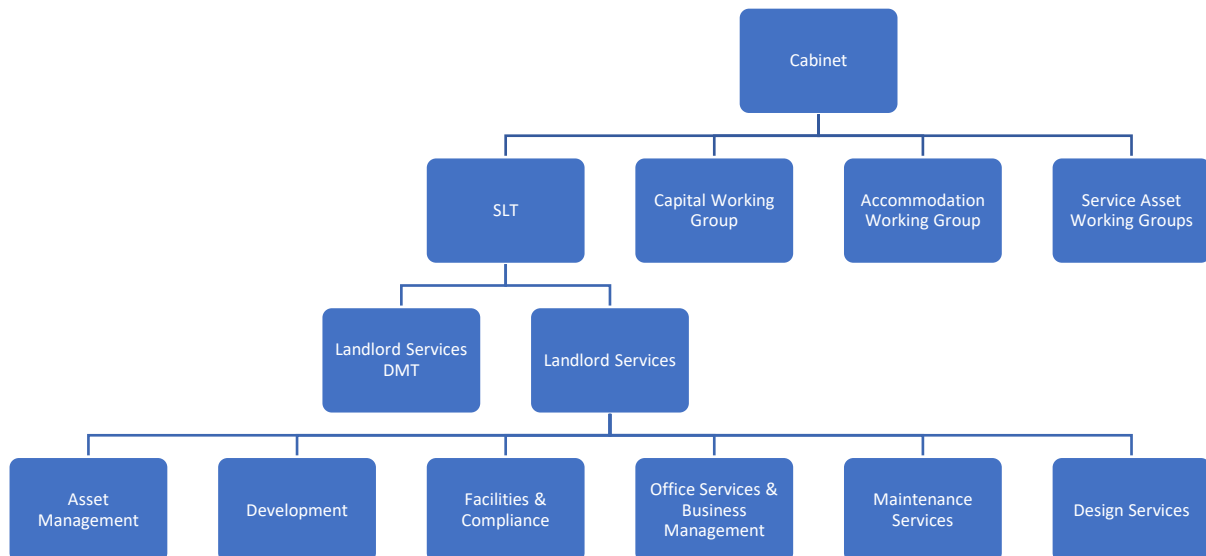


Figure 33 - Landlord Services Organisational Diagram

The Estates Department consists of two teams, prioritising areas of work in their respective specialisms. The Council's Estates Development team manage disposal and acquisitions, ensuring best value is achieved (social and financial). The team also supports, and project manages a range of different enabling functions, including project management of the Severn View Parc and MUCH project. The Estates' Asset Management Team carries responsibility for the day-to-day management of the estate, including progressing matters such as lease events, property enquiries or general property management.



*Figure 34 - Land at Rockfield Farm, Magor. Sold for development to Monmouthshire Housing Association*

Property Services have responsibility for the maintenance and overall condition of the operational portfolio, undertaking planned and reactive maintenance across the property estate. The planned maintenance programme is informed by condition surveys, backlog maintenance and ongoing monitoring of assets. The Design Team support the design and development of council projects, including the King Henry VIII 3-19 School project. Property Services also support the delivery of Gwent Police projects under the existing collaboration between bodies, for which fees are charged and recovered. Facilities and Health & Safety compliance officers within the department monitor regimes of asbestos, fire risk, legionella, etc and ensure statutory duties are undertaken by site managers. Cyclical Maintenance (electrical safety, gas safety, fire alarm, etc.) is undertaken periodically, annually or bi-annually, based on the specific report and service.

Offices Services and Business Management support the back-office operation of the service (accounting, invoice processing, etc.) as well as the front facing reception, post room and courier services. The accounts team provide procure to pay services, including budget monitoring, internal recharging, and Accounts Payable and Receivable support. In addition, the accounts team work to ensure that relationships with contractors/collaborators and customers remain positive through effective customer service and a full understanding of cashflow in our partner businesses.

Managers for the respective services listed within Landlord Services meet regularly to consider property specific matters and updates, and have responsibility for the production of clear and robust options appraisals to inform decision making relating to changes or disposals/redevelopment opportunities.

Each of the services within Landlord Services are supported by a data management system, for which a replacement system is currently being procured. The proposed new system will create a data bank from which property information is available and more auditable, enhancing the access to property information to inform short, medium and long-term strategic assessment of the Council's assets, and contribute towards aspirations around rationalisation, property maintenance decisions and alternative use/redevelopment. This will sit alongside the Council-wide changes in data management and migration onto share point. This will reduce the amount of redundant data and improve the quality assurance around ongoing costs and therefore strategic decisions.

## **CAPITAL AND ACCOMMODATION WORKING GROUPS**

The Capital Working Group and Accommodation Working Group will be created to strengthen the organisations relationship with the assessment of the capital programme and reporting of pressures in relation to estate management. Equally, it will provide forums from which consistency can be sought in the approach to accommodation matters, ensuring property opportunities (e.g. through the consolidating of a service which creates available space within an asset) can be evenly considered and in advance of any consideration to declare the property surplus.

The respective working groups will provide an environment from which service managers and directorate leads will be able to present business cases for consideration of capital pressures. Business cases will need to include the strategic and economic case, the commercial considerations and management implications.

The Capital and Accommodation Working Groups will have representation from Estates and Property Services, Legal and Finance, as well as the respective service areas relevant to the agenda item or pressure. The working group meetings will be minuted and progress tracked. Each decision will differ in detail and depth but will be proportionate follow a standard template and framework. A communication plan will be put in place to communicate this change to service managers and via engagement with Senior Leadership Team and DMT's.

Further to the above groups, the Head of Landlord Services and members of the Landlord Services DMT will attend SLT and Cabinet as required where matters concern Landlord Services, and be the main point of contact alongside the Deputy CEO (Chief Executive for Resources) for Cabinet/councillors in responding to member queries or information requests that relate to Landlord Services or the portfolio.

## **SERVICE ASSET WORKING GROUPS**

Individual working groups will be established with directorates to consider service accommodation pressures or matters relating to the operational estate. Individual service

asset plans will be established which will reflect on the key strategic considerations such as the average property running cost, demand for use, occupancy rates and arrangements to ensure best utilisation of buildings, building condition, accessibility and energy performance. This information will be reported to the Accommodation Working Group and used to inform future use and service transformation.

### **INVESTMENT COMMITTEE**

The Investment Committee is a cross-party sub-committee of Council, established to consider investment activity the authority can undertake. As a consequence of the pandemic, investment activity has halted, with acquisitions via this committee limited to Castlegate Business Park, Newport Leisure Park and investment in 'Broadway'. In order to afford a transparent assessment of these investments, the performance updates will be reported to Performance & Overview Committee alongside updates on the wider portfolio. Any future investment will be considered in accordance with the constitution and via the appropriate decision-making forum (Full Council or Cabinet). The Investment Committee will therefore be in abeyance, with the ability to stand up the committee if required.

Cabinet Members will continue to be consulted on property decisions that relate to their specific service areas. The Cabinet Member for Resources will also be consulted for all major property decisions. At a local level, Ward Members will be consulted on specific asset related issues and afforded the opportunity to provide comments as a consultee on delegated authority, ICMD, Cabinet and Council decisions/reports.

# APPENDICES

## Appendix 1 – Asset Management Plan



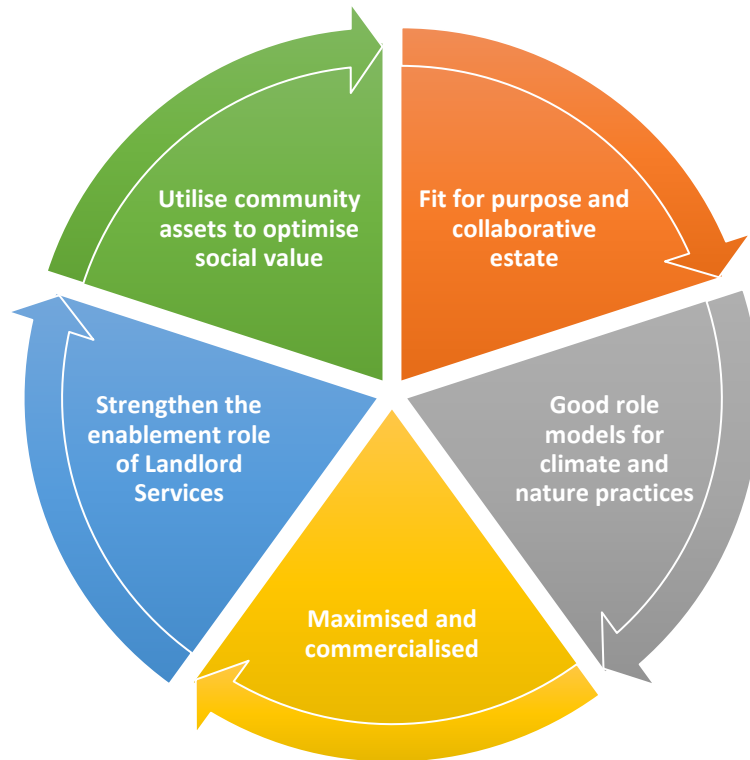
## Asset Management Plan





## Asset Management Plan

The Asset Management Plan converts the Asset Management Strategy into practice. It is the associated action plan for the duration of the Asset Management Strategy, acknowledging some items will go beyond the strategy period. The following pages contain the actions proposed in accordance with the strategy document. These align to the Asset Management Strategy's key themes.



The Asset Management Plan and its action list will be updated annually to monitor progress of the plan against these core objectives. The RICS define an asset management plans as the deliver plan for property assets, giving details such as timescales for action, outcomes and responsibilities:

Objective – Fit for purpose and collaborative estate						
Action No.	Action/Description	Target	Milestones			
			23/24	24/25	25/26	26/27
1	Undertake service area asset plans to review accommodation needs, and strategic mapping exercise for opportunities to meet unmet demand, cost advantages or resource benefits.	Completion of all directorate reviews by 2026/27.	Depot working group already established. Additional accommodation groups to be created (social care, education, etc.) to inform asset plan formulation.			
2	Provide design and technical support for the proposed relocation of the Pupil Referral Service to the former Mounton House School, Chepstow	Completion of the build by academic year 24/25	Education seeking consent for funding in December 23.			
3	Continued technical support with the development, completion and ongoing maintenance of Severn View Parc Care Home	Completion of build February 2024. Resident transition from Severn View Care Home in March 2024.	On-course for targeted completion date of February 2024.			
4	Renewal of Memorandum of Understanding with Gwent Police	September 2024	Solicitors drafting renewed document. New governance structure to be agreed.			
5	Repurpose vacant agricultural cottage in Llanfair Discoed, to support temporary accommodation.	April 2024 occupation	Report to Cabinet in December 23 for consent to repurpose vacant agricultural properties			
6	RLDP promotion of new depot infrastructure to support grounds, transport and maintenance teams and fleet transformation.	RLDP allocation (2025)	Formulation of working group to provide design and requirement input.			
7	Oversight and technical input into the relocation of Monmouth Museum into Shire Hall.	Feb 2025 development stage conclusion	Architectural design brief and specification for redesign works circulated for comment.			

Objective – Good role models for climate and nature practices						
Action No.	Action/Description	Target	Milestones			
			23/24	24/25	25/26	26/27
8	Ongoing technical and advisory role for the delivery of the 3-19 King Henry VIII School development, Abergavenny	Completion of build by September 2024	Ongoing supporting and advisory role. Construction started.			
9	Re-let vacant farms, with consideration for small scale horticulture opportunities or diversification to contribute to the 'food and drink economy'.	July 2024	Property to be surrendered by April 2024. End of tenancy negotiations ongoing.			
10	Undertake a carbon sequestration exercise, identifying opportunities for planting and biodiversity schemes on redundant or poorly managed land, including woodland.	Ongoing	Exercise underway to identify suitable land parcels. Land in Abergavenny being explored for wildflower/planting community scheme.			
11	Continue promotion of the RLDP Strategic Sites and support the decarbonisation team with the promotion potential renewable development.	Ongoing	Awaiting progress of RLDP and formulation of business case. 'Caldicot East' designs are being formulated in readiness of deposit plan Easter 2024.			
12	Establish tenant communications forum from which increased access to supporting groups and networks can be offered.	Jan 2024	Membership and consent to share details being collated.			
13	Award Allotment Support Grant for 2023/24 works and submit forward work plan for 24/25 bid.	March 2024	MCC allotment sites approached for proposals to access support grant funding.			
14	Continue programme of annual cyclical maintenance, and explore low carbon and energy efficient alternatives at point of repair/replacement.	February 2024	Annual programme of cyclical maintenance under review. Cyclical maintenance procurement framework being renewed.			
15	Undertake county-wide land review for potential cemetery sites, in order to address reducing number of available burial plots in Abergavenny and Monmouth	July 2024	Monmouth Cemetery reopened and changes to plot reservation policy have extended remaining burial years.			

Objective – Maximised and commercialised asset base						
Action No.	Action/Description	Target	Milestones			
			23/24	24/25	25/26	26/27
16	Complete mapping exercise of co-working opportunities through the operational estate , and the creation of incubator space at Castlegate Business Park.	March 2024	Operational asset list to be collated. Meetings required with digital team to explore booking functionality. 'MonSpaces' launched in Nov 23, making available hireable flexible office space at CBP.			
17	Reduce arrears in the investment portfolio and take recovery proceedings where appropriate.	Ongoing	Arrears review ongoing. Monthly progress meetings scheduled with Sundry Debtors.			
18	Complete business rates mitigation for Castlegate Business Park and re-let Unit 6 Newport Leisure Park	Jan 2024	Business rates consultant appointed and site visit undertaken. Marketing strategy implemented and considering offers for vacant space.			
19	Advertise vacant floor spaces at Monmouth Market Hall and Innovation House	Nov 2023	The vacant former OSS and hairdressers are being marketed via the MCC website and expressions of interest invited. Negotiations are ongoing with a flexible office provider regarding occupation of Innovation House.			
20	Explore disposal of non-core farm holdings for generation of capital receipts	Feb 2024	Discussions ongoing with sitting tenants regarding interest to acquire. Cabinet consent required to dispose of any farm holding.			
21	Exercise any lease events (rent reviews and lease renewals) effecting the investment estate.	Ongoing	Schedule of lease events reviewed monthly. Surveyors assigned to exercise reviews and commenced tenant negotiations.			
22	Establish rationalisation strategy and disposal of surplus assets (Severn View Care Home, Portal Road, etc.)	March 2025	Review ongoing for opportunities for rationalisation.			

Objective – Strengthen the enablement role of Landlord Services						
Action No.	Action/Description	Target	Milestones			
			23/24	24/25	25/26	26/27
23	Implement a revised service level agreement (SLA) for educational premises. Explore ability to replicate across other service areas.	March 2024	Draft SLA under review with consideration for overlapping existing agreements, communication to directorates and legal redrafting.			
24	Procure and implement a new asset management system.	April 2024	Data cleanse ongoing to support data transfer onto Sharepoint. Specification agreement and procurement underway.			
25	Continue to support Active Travel in the implementation of links at Kingswood Gate, Monmouth and Ysbyty Fields Abergavenny	February 2024	Negotiations ongoing with respective landowners. Third party support procured to assist with capacity pressures.			
26	Undertake a procurement framework review which assesses the success and value for money of the mechanical, electrical, building and cyclical maintenance frameworks.	April 2025	The cyclical maintenance framework has been tendered and is currently being evaluated prior to award.			
27	Dispose of land at Caldicot Comprehensive School for 100% affordable housing development	March 2024	Planning application submitted. To be considered by planning committee in January 2024. Disposal conditional upon planning consent.			
28	Assist with improvements to the health and safety with training provision to improve understanding of property occupier compliance responsibility.	November 2023	Corporate Health and Safety lead and Property Services Maintenance and Facilities Manager tailoring training to reflect MCC estate.			
29	Assist with the promotion of potential gypsy and traveller sites on MCC land within the Replacement Local Development Plan	December 2023	Site surveys commissioned following Council decision to proceed with consultation on three potential sites on land at Langley Close, Oak Grove Farm and Bradbury Farm.			
30	Support the development of the My Day My Life 'base', in accordance with the recommendations of the independent review.	November 2023	Design works commenced for refurbishment of Overmonnow Family Learning Centre and Melville Centre.			

Objective – Utilise community assets to optimise social value						
Action No.	Action/Description	Target	Milestones			
			23/24	24/25	25/26	26/27
31	Completion and handover of Magor and Undy Community Hub	Sept 2023	Development completed and occupied from September 2023. Ongoing defects period under review and operational matters relating to EV charging.			
32	Undertake negotiations for the lease renewal of Drybridge House, Monmouth	March 2024	Rental calculations shared with tenant. Heads of Terms produced and under consideration.			
33	Review existing community facility leases and award of rental concessionary grant.	Completion of review by April 25	Rental concession review undertaken. Tenants to be contacted for access to trading accounts and clarification on eligibility for claim, in accordance with policy changes.			
34	Enter a lease for the occupation of the Melville Centre, Abergavenny	March 2024	Melville Centre for the Arts committee have secured Architectural Heritage Funding to survey the roof and property. Awaiting findings to conclude lease negotiations.			
35	Advertise and continue to let vacant space at Hanbury House, Chepstow	November 2023	Small ground floor retail space being advertised. Suitable for range of different uses.			
36	Future use of Raglan Old School, Chepstow Road	March 2024	Awaiting correspondence from Diocesan Trust to resolve title transfers. Feasibility study required on alternative use.			

## Performance Indicators

Measures/Milestones	Previous year	Target	Current (23/24)	Comments
<b>Service area measures</b>				
Total income target for the investment portfolio	£1,257,841	£979,698	£1,076,230	Previous year spike in part from Ukrainian Relief Funds
Capital Receipts generated	£7,488,013	£2,642,045 23/24	£2,642,045 forecast	Future receipts subject to rationalisation and RLDP allocations.
No, of affordable homes granted planning consent on MCC land	32	50% AH on all dev sites	46 forecasted	
ROI of Investment Portfolio, as per Asset Investment Policy	-1.55%	2%	0.15%	Target subject to any changes agreed by Investment Committee.
Average DEC Rating of Operational Estate	D (82)	C (51-75)	D (82)	Only for public buildings - annually over 1,000sqm or every 10 years 250sqm.
King Henry VIII 3-19 School development	Completion August 23	Completion Feb 2024	On programme	Delay to Feb 24 associated with potable water and electricity connections.
Severn View Parc Care home development	Completion Feb 24	Completion Feb 24	On programme	Resident transition scheduled March 24
Affordable housing development of land at Caldicot Comprehensive School	July 24	July 24	Aug 24	Forecast planning committee January 24
Design/Maintenance Income Target	£1,102,623	£1,280,081	On budget	On budget as of M5 reporting
Cemeteries net income target	£254,171	£183,041	£246,009	
Industrial units net income target	£214,085	£188,275	£213,535	
County Farms net income target	£242,882	£269,120	£269,578	
% of rental arrears from investment portfolio's total income	6.4%	2%	4.8%	

## Risks

The Asset Management Plan (and therefore strategy) are subject to a number of risks which should be quantified to assess impact on delivery. Planned mitigation, where possible, is outlined in the table below. The risks will be reviewed annually in accordance with the Asset Management Plan's review:

Risk	Risk	Impact	Mitigation
The inability to staff the action plan due to capacity constraints, staff retention and succession. High number of departmental vacancies and MCC is subject to a recruitment freeze.	Major	The inability to staff the action plan could result in failure to achieve revenue and capital returns, resulting in reputational and commercial damage. It also presents a service resilience weakness as staff retire and experience and knowledge lost.	Recruit to vacant posts and restructure to tailor to the service demands. Necessity to create pathway for succession and progression. Utilise external expertise to supplement knowledge or capacity gaps.
Market forces impacting tenant's ability to meet lease obligations, resulting in additional voids and loss of income.	Major	Shortfalls in income or additional pressures to the budget forecasting/overspend. Potential for additional vacant space and therefore liability to MCC created.	Strengthen existing tenancy agreements, reducing voids where possible and acknowledging the necessity for incentivised lease terms to secure occupiers.
Reduction in capital values or receipts associated with global market trends, changing sectors or delays to disposal of property.	Medium	Changes to planning policy are likely to impact land values and result in protracted sales processes. Implications of phosphate constraints, TAN15 introduction and limitations on the use of best and most versatile land. The evolution of markets (e.g. consolidation of offices and lack of inward investment) may impact the delivery of economic development aspirations.	Continue to undertake a disposal strategy that best enhances the consideration achievable and prioritise alternative use where liability can be transfer onto a third party.
Reduction in capital maintenance programme or spend freezes impacting the ability to meet capital pressures or deterioration of the estate	High	The portfolio's condition will deteriorate through a lack of appropriate and future proofing investment, frustrating the ability for the asset base to respond to changing service demands.	The planned capital maintenance programme will continue to be reviewed for such that investment is prioritised in those assets that present health and safety risk. The capital and asset management working group will preside over consideration of capital pressures.
Unclear policy and strategic intentions, leading to inconsistency in approach	High	Inconsistent approach to asset management and the implementation of the strategy will result in reputational damage to the authority and abortive works and costs for tenants or interested parties, e.g. in the pursuit of Community Asset Transfer.	Clearly established 'purpose' for the portfolio and strategy, supported by robust governance arrangements and a suite of endorsed policies from which day-to-day management takes place, within a framework Cabinet have agreed.



## Appendix 2- Rental Concessionary Policy



## Rental Concessionary Policy



## Rental Concessionary Policy

The Asset Management Strategy outlines the necessity to maximise and commercialise the portfolio wherever possible. It also acknowledges a need to utilise community assets to optimise social value and outputs. The Rental Concessionary Policy assists with the delivery of social value, outlining the process by which MCC can elect to offer discount on rent payable by a tenant in occupation of property within the portfolio. The following document outlines the eligibility for rental concession, the process by which this is assessed and awarded, and the governance arrangements surrounding ongoing monitoring:

### Eligibility for rental concessions

- Rental grant (i.e. a reduction in the rent payable by a tenant) can be applied for by community tenants/occupiers who can demonstrate a tangible social benefit that is derived as a result of their occupation. It is not a concessionary policy available to commercial operations or profit-making organisations.
- Rental grants are only awarded in circumstances where it is evidenced that concession is needed to enable the social outcomes and benefits to be achieved.
- Rental grant can be awarded up to a maximum of 95% of the contracted rent, however it should only be awarded to the minimum amount necessary to ensure continuity of facility and where evidenced as required. The maximum percentage of rental grant awarded under the policy is to be reviewed.
- The concession issued should be quantified and proportional, with due consideration of the financial pressures facing the Council and necessity for good and sustainable management practice.

### Applying for rental concessions

- 1) Community tenants (existing or prospective) can apply to the Estates Department for consideration of rental concessions. At the point of application, a full market review of property capital and rental value will be undertaken. This can occur at any lease event (renewal, rent review or new tenancy request). No discount will be reflected in the rental calculation at this stage. The rental for the property will be calculated based on the open market value of the proposed use.
- 2) Applicants will be required to complete a rental grant application, including a business case with justification for the concession. The application will enable review as to whether the tenant has any other source of funding and/or ability to meet the rental obligation.
- 3) Applications will need to include due consideration of the council's Community and Corporate Plan, alignment to the objectives of the Asset Management Strategy and associated policies, and the Well-being of Future Generations Act. Financial evidence, accounts and business plans will be required to substantiate the proposals.
- 4) A financial strategy will be required to demonstrate efforts to reduce the reliance on the grant post-award, and evidence as to how the tenant will meet the repair obligations under the lease agreement, which will primarily transfer the properties repairing and insuring obligations to the occupier. Equally, applicants should demonstrate their ability to meet the utility/running costs of the property.

- 5) "Community leases" will include reasonable break clauses and terms, such that the tenant retains an ability to surrender the property in accordance with the lease in the event the rental concession is no longer available and without financial penalty or onerous obligations.

#### Rental Concession consideration and award

- 6) The completed information should be made available to the nominated Estates surveyor, who will liaise with colleagues in Finance to assess eligibility. If the evidence provided indicates a rental concession is appropriate, a delegated authority report will be submitted to the Chief Officer for Resources for consideration.
- 7) Rental Concession is permitted under the General Disposal Consent Order (Wales) 2003 and Local Government Act 1972 (Section 123) which permits disposal or occupation of an asset at less than best consideration where the Council considers the agreement to be in the interests of the economic, social and environmental well-being of the area and community it serves.
- 8) Award of the rental grant will be agreed by the Chief Officer for Resources, in consultation with the Head of Finance and Head of Landlord Services, and relevant Cabinet Member. The Head of Landlord Services will hold responsibility for the ongoing monitoring of community asset performance.
- 9) The grant will be awarded for a maximum of 3 years, reviewed annually. Tenants are able to reapply for rental grant within 3 months of the end of the period, at which point step 1 of the application process is recommenced.
- 10) Records of the rental grant award are held by the Finance Department, reviewed annually by the Landlord Services Leadership Team, such that the support afforded to community groups can be reported and acknowledged across financial years.
- 11) Successful applications will be invoiced for their contribution to the element of rental after deduction. Unsuccessful applications or occupiers who fail to comply with the requirements of the policy, will be invoiced in accordance with the market value.

#### Exceptions

- 12) In certain circumstances, it may be more appropriate that a community group or initiative hire part of a premises (e.g a room in a larger building) rather than occupy a whole property. In these circumstances, the same process would apply albeit the rental and contribution towards running costs should be proportional to the space occupied.
- 13) There remains a necessity for the group to occupy under an appropriate legal arrangement (licence) to clarify the responsibilities of occupier and landlord, and minimise risk to the authority of an unauthorised formal tenancy being created.

## Appendix 3 - Community Asset Transfer Policy



## Community Asset Transfer Policy



## Community Asset Transfer Policy

The Asset Management Strategy and Community & Corporate Plan sets out the ambition to support community empowerment where possible. Community Asset Transfer Policy is a mechanism that enables local authorities to meet this ambition, utilising the powers of the General Disposal Consent Order to transfer ownership and management of buildings in its ownership over to community groups for less than best consideration.

The following document outlines the definition of Community Asset Transfer (CAT), the process by which CAT applications are submitted and considered, the criteria for eligibility and the supporting services associated and applications documented. This policy should be considered in parallel with the Rental Concessionary Policy., which outlines the process by which community groups can seek rental reductions on their tenancy agreements if achieving demonstratable outcomes:

### *1. What is Community Asset Transfer*

Ystadau Cymru's Community Asset Transfer guidance note defines the aims of community asset transfer as "community empowerment by ensuring that land and buildings are retained and operated for public benefit through community management and ownership".

In essence it involves the transfer of the management / ownership of an asset from a public sector body to a community-based organisation e.g. a charity, community interest company or a Town / Community Council. The "transfer" of the asset can be achieved through either a freehold or long leasehold interest.

CAT's provide an opportunity for local authorities to find different ways to deliver local services, concentrating on efficiencies and cost savings over ownership.

### *2. Who is eligible to make a request for a community asset transfer?*

CAT applications can be made by:

- Groups that are appropriately constituted e.g. a registered charity, a community interest company or a charitable incorporated organisation, a not for profit company or a co-operative, or a Town or Community Council within the county boundary of Monmouthshire County Council
- Community initiatives (i.e a community or voluntary sector group with governance arrangements with strong links to the local community).
- The applicant/group must be explicitly for social benefit and members of a community that are able to influence its operation and decision-making process.
- The primary purpose of the organisation must be non-profit making, supported by business plan and track record of service delivery.
- Demonstrate that it has the skills and capacity to effectively deliver services and manage the asset to be transferred.
- Must be able to demonstrate the long-term sustainability of the applicant organisation.

### 3. In applying for CAT, applicants must:

- Complete the Expression of Interest application form, attached to this policy.
- Demonstrate that they have a clear understanding of the services they wish to deliver, how they will use the asset and improve access to services and facilities
- Evidence alignment to the Council's Community and Corporate Plan.
- A clear, viable and sustainable business plan. The required contents of the business plan are outlined in section 6.
- Evidence as to how they will fund the running and maintenance cost of the asset.
- Demonstrate the demand for the activities proposed, and how they will embrace diversity and work to improve community cohesion.
- Demonstrate tangible economic, environmental or social regeneration they will provide for community benefit as a consequence of the CAT.
- Have a clear management structure demonstrating how the premises will be managed on a day to day basis and consideration for compliance, health and safety and legislative issues will be managed.

### 4. What assets will be considered for CAT?

MCC retains the right to refuse any application for Community Asset Transfer. The Council will consider expression of interest for assets if:

- The asset is already identified as surplus and available for disposal
- The asset is already occupied by a community or voluntary sector group (as outlined under section 2).
- The asset does not form part of a larger commercial asset (e.g a property within a mixed use or larger asset with development value or potential).
- If the property is vacant, MCC will advertise the opportunity to submit applications for the site, such that all community interest groups are afforded equal opportunity.

Assets forming part of the operational or investment estate will not be considered (e.g residential properties, operational land of statutory undertakers, assets that not assessed to be community facilities, agricultural assets) unless declared surplus to requirements.

In circumstances where an eligible property is identified, MCC will prioritise long leasehold arrangements first and foremost (as an alternative to freehold transfer) when considering CAT applications, as this will enable greater influence on the future use of the building. In circumstances where a freehold transfer is warranted, applicants will need to demonstrate why a freehold transfer is necessary for the success of the project.

### 5. CAT applications assessment

CAT applications will be assessed based on their individual merit, the cost avoidance and community benefit as a consequence of the transfer. The business plan and associated information (as per section 3) will be assessed on:

- How the need for the proposed transfer and use of the asset has been identified

- Planned outcomes and benefits of the transfer (freehold or long leasehold). Is there a clearly defined purpose and objective of the organisation and how CAT would support these?
- How will the success of the transfer be measured – i.e. what will be different and how will it be measured.
- Finance modelling, including 5 year revenue and capital funding plans. This should be inclusive of rent, rates, utilities, telephone & broadband, insurance, repairs, staffing, refurbishments and building improvements, H&S legislation, access for all, etc.
- Type of transfer sought and why i.e. freehold or long leasehold
- Any sources of finance including grants that the asset transfer will enable. Capacity building and how this will be delivered.
- Scope for collaboration, i.e. are there other community groups that could share the accommodation, or other groups operating in the area this proposal would conflict with? Are there already similar services being provided?
- Details of how the proposed use will be monitored and proposed arrangements in the event that the transfer is not sustainable.
- Risk log

Applicants should reflect on the above criteria prior to applying for CAT. Guidance notes are available on the formulation of the business plan and other considerations for application.

#### 6. CAT Award

CAT applications will be assessed by the Estates Department, who hold primarily responsibility for management of the estate and provide recommendations relating to the disposal or use of property. A fair, transparent and consistent approach to CAT applications will be applied, with the acknowledgement each asset also has its own considerations, assessed against the criteria set out in this policy document. In considering the suitability for CAT, consideration will be given to the assets alternative use and development potential.

Following receipt of the business case, the Estates Department will provide recommendations to the Chief Officer for Resources and the appropriate decision-making function as per the constitution (ICMD, Cabinet, Full Council) for consideration. Officers will engage with the local ward member on applications relating to assets in their ward.

In circumstances where multiple organisations have evidenced an ability to operate via CAT, collaboration will first be encouraged between partners.

Given the obligation on the Council to achieve maximum financial value (i.e best consideration), any transfer will be undertaken on the basis of full market value, however a sale or long leasehold interest can be undertaken at less than best consideration in accordance with the General Disposal Consent Order(Wales) 2003, subject to being satisfied that the sale / lease will result in long term sustainable local social, economic or environmental benefits. Any proposed transfer at less than best price will be subject to an independent valuation. Should a freehold transfer be agreed the legal title will contain a series of clauses designed to safeguard the long term future of the building which will include a restrictive covenant, claw back clause and right of pre-emption.

## 7. Application process

Sections 1 to 6 of the policy sets out the definition of CAT, the criteria by which a community group can apply and the evidence required to submit a CAT application. The stages associated with the application process are outlined below:

### Stage 1 - Expression of interest received for CAT

- Landlord Services' Estates Department will access the property proposed against the eligibility criteria.

### Stage 2 - Community group/applicant invited to apply for CAT by submitting application form and business plan

- The formulation of the business plan will be supported by Community colleagues in Communities and Place directorate.

### Stage 3 - Evaluation and Council consultation on submission/decision

- Recommendations will be made based on assessment against Sections 4 and 5 of this policy. A recommendation will be made to the Chief Officer for Resources and appropriate decision making body for consideration.

### Stage 4 - Decision on proposed transfer

- If its determined the application does not meet the criteria the applicant will be provided feedback.
- If successful, legal will be instructed.

It is acknowledged that not all applications will progress and that many application processes can occur over a number of years. A register will be kept of enquiries and successful CAT's monitored to assess the achievement of the desired outcomes.





## Community Asset Transfer – Stage 1 - Expression of Interest

Stage 1 of the application process has been designed to assess whether the application will meet the Council’s eligibility criteria, as set out in the Community Asset Transfer Policy. All of the information below is required to assess the suitability of the applicant and property for Community Asset Transfer.

Applicants that meet the Council’s suitability criteria will be invited to progress to Stage 2 of the application process, and submit a formal business plan and supporting evidence to support consideration of the application.

It should be noted that completion and submission of Stage 1 form does not guarantee or bind the Council to progress to Stage 2 of the CAT application process.

### 1. Please provide details of the organisation making the application

Name of Organisation:	
Address of Organisation	
Contact Name:	
Position:	
Telephone Number:	
Email Address	
Date:	

### 2. Type of organisation

What types of organisation are you e.g. registered charity, CIC?	
Do you have a formal constitution, governance document or set of rules?	

If you are not currently established please outline the type of organisation you are considering establishing – registered charity, company limited by guarantee?	

**3. What is the structure and purpose of your voluntary or community organisation? (If you are not established and set up at the moment please indicate what you think the structure will be)**

How many people are involved in your organisation?	Management Committee	
	Full Time Employees	
	Part Time Employees	
	Volunteers	
When was the organisation established?		
What is the purpose and main activities of your organisation?		
Does your organisation have experience of managing an asset? If yes please provide details		

**4. Please tell us about the asset (land or buildings) you are interested in?**

Name and address of asset	
---------------------------	--

If this is a speculative application please provide details of the type of asset and location required	
Type of transfer you are interested in including level of discount and proposed length of lease  Lease or freehold transfer?	

**5. Please tell us about the proposed use of the asset**  
(please continue on a separate sheet if required but no more than one side of A4)

What do you want the asset for?	
What benefits will this bring to the organisation, the local community and the Council?	

## 7. Please tell us about any partners, collaborators and stakeholders

<p>If you are proposing any arrangements with public sector or other third sector partners please provide details.</p> <p>Summary of any community consultation undertaken regarding the proposal</p>	
<p>If this application is in respect of an asset with existing users, please provide written evidence from them that they are aware of this application</p>	

## 8. Finance

<p>Is there any finance/ funding in place to support the application?</p>	
<p>Have you (or any partners) experienced any financial or legal issues which could impact on the operation of the facility e.g. bankruptcy, county court judgements, legal disputes or similar?</p>	

**The Council reserves the right to check the accuracy of the information submitted within the Authority and with other agencies:**

**Please return the completed form to:**

**Estates Department, Monmouthshire County Council**

**Email: [estates@monmouthshire.gov.uk](mailto:estates@monmouthshire.gov.uk)**

## Appendix 4 - Disposal Policy



## Disposal Policy



## Disposal Policy

The Asset Management Strategy acknowledges a need for assets to achieve a range of objectives. In circumstances where properties are considered to not meet these objectives, have alternative development potential or can be rationalised to unlock capital receipts, the Council's Disposal Policy can be exercised to support the disposal of surplus assets. The following policy establishes the criteria by which disposals are undertaken, the protocol and relevant legislative requirements.

### **Introduction**

To enable a consistent approach to the disposal of surplus land and property, the Disposal policy clarifies the circumstances within which the council will achieve its objectives and requirements for best consideration, whilst supporting the Council's objectives as per the Community & Corporate Plan and Asset Management Strategy.

The following policy sets out the core principles to be applied when disposing of property. Whilst a consistent approach will be taken wherever possible, it is acknowledged that each asset should be assessed on its own merits and disposal undertaken in accordance with that portfolio and circumstances.

### **Legal Background**

When disposing of property assets, the Council is obliged via S123(2) of the Local Government Act 1972 not to dispose of land for a consideration less than the best that may reasonably be obtained.

Best consideration is defined as the amount that would be received for a disposal of a property where the principal aim of is to maximise the value of the receipt.

The General Disposal Consent Order 2003 (Wales) gives LAs the ability to sell an asset for less than best consideration where the reduction in value is £2,000,000 or less and the authority considers that the disposal is in the interests of the economic, social or environmental wellbeing of the whole or any part of its area or any or all person's resident or present in the area. When disposing of land, the General Disposal Consent Order should only be accessed when subject to clear justification, evidenced through the required delegated authority report or decision-making body.

### **Disposal Protocol**

Should an internal occupier of MCC property determine that an asset is no longer required for their service, the Chief Officer of the occupying service area should liaise with the responsible Cabinet member to declare the asset "surplus".

Consultation should be undertaken with the Estates Department in Landlord Services, who will seek to determine whether any alternative internal use is required (e.g. other services or occupiers). Representations to occupy property should be made to the Capital and Accommodation Working Groups (as per the 'Processes' section of the Asset Management Strategy).

In circumstances where an asset has been determined to be surplus to requirements and not have a justifiable internal need, assets may be disposed of in accordance with this policy. Option appraisals will be produced to inform any assessment of need and use where multiple have been identified.

Declaring an asset surplus to requirement will require Cabinet approval, whereupon the management of the asset will transfer to the Estates team. Associated holding costs (utilities, rates, disposal costs) should be secured as part of the Cabinet decision process.

## **Disposal of an Asset**

The Council is obliged via S123(2) of the Local Government Act 1972 not to dispose of land for a consideration less than the best that may reasonably be obtained. In circumstances where a property has been declared surplus and is to be disposed of, the asset should be added to the capital receipt forecast.

The disposal of assets is managed by the Estates Development Team.

Community groups will be afforded the opportunity to bid for property, however it should be noted that the eligibility and justification for occupying an asset (freehold transfer or long leasehold) will be considered in accordance with the Community Asset Transfer policy. Ward members should be contacted prior to marketing of the site, such that local community groups can be notified where interest exists, or local intel considered.

Wherever possible, disposals should be advertised on the open market and on terms that will result in best consideration. Obligations included within sales contracts should reflect the council's policy objectives and pursue opportunities to enhance social outputs.

The Estates Development Team will seek to include restrictive covenants and overages in terms of sale, such to protect the council's interest and intended use at the point of sale.

Disposals can be undertaken to facilitate a range of activities, including residential and commercial development, low carbon or net zero development, provision of services normally undertaken by the council, tackling local social issues, environmental enhancements, reducing fuel poverty, support local economic base, facilitating inward investment, etc.

The need to seek best consideration however has to be measured against wider social needs. Decisions to declare assets surplus should be supported by a robust options appraisal, such that consideration can be given on balance and with an acknowledgement of the alternative means by which the Council can reduce its operational costs and liabilities.

The Estates Development Team will provide recommendations to the authority on the best alternative use of the asset or development potential. In circumstances where the disposal is considered specialist or requiring broader marketing, external agents can be accessed to facilitate the disposal.

Officers should seek to enhance the value of assets wherever possible, including the commissioning of surveys and securing planning consent wherever possible to reduce the development risk and uncertainty for prospective purchasers, thereby increasing the capital value.

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## REPORT

**SUBJECT: Investment Committee Review**

**MEETING: Council**

**DATE: 18<sup>th</sup> January 2024**

**DIVISION/WARDS AFFECTED: All**

### 1. PURPOSE:

- 1.1 To propose governance changes for how the Council oversees its commercial investment portfolio.

### 2. RECOMMENDATIONS:

- 2.1 To receive verbal updates at the meeting following consideration of the proposed governance changes by Investment Committee, Governance and Audit Committee and Performance & Overview Scrutiny Committee from their meetings on 9<sup>th</sup>, 11<sup>th</sup> and 15<sup>th</sup> January respectively.
- 2.2 To approve the proposed, revised governance arrangements contained in the revised Asset Investment Policy (appendix 1) and summarized in section 4 of this report.

### 3. KEY ISSUES:

#### **Background**

- 3.1 In May 2018, Council approved a revised Asset Management Strategy, which included an Asset Investment Policy designed to optimize returns from the Council's investment portfolio, including the acquisition or development of new assets or other commercial opportunities.
- 3.2 The purpose of the policy was to support the Council delivering against its core policy objectives whilst helping sustain Council services and enhancing its asset base. The policy provides a framework to enable the acquisition of commercial assets to increase net rental income streams and realise capital appreciation opportunities.
- 3.3 The Asset Investment Policy outlined the criteria for evaluation of commercial and property investments, measured against the potential

income generation opportunities to satisfy the Council's then Corporate Plan and in supporting its wider budget framework.

- 3.4 The policy set out the need to seek out investment opportunities within Monmouthshire, the City Deal region and neighbouring areas of economic influence, which supported the Council's economic and regeneration priorities. The policy enabled the Council to identify investment opportunities beyond our county boundary that met the investment criteria as well as identified different types of investment that would diversify the portfolio and minimise risks by both sector and location.
- 3.5 Alongside the policy, the Council at that time approved £50,000,000 of prudential borrowing that could be used to acquire or invest over a three-year period. The cost of borrowing is serviced by the resulting rental streams, with a requirement that it should provide a net surplus over and above borrowing costs.
- 3.6 The Investment Committee, which currently presides over the monitoring of performance updates, is made up of the Council Leader, Deputy Leader, Cabinet Member for Resources and Leaders of the two largest opposition parties. The Committee is advised by the Deputy Chief Executive (s151 officer for the Council) and officers from Finance, Landlord Services and Legal Services. When previously considering acquisitions or investments, specialist advisors have been used to supplement internal capacity and expertise as appropriate.

### **The Asset Investment Policy**

- 3.7 The Asset Investment Policy sets out the framework and governance criteria for the management of the investment portfolio. The policy stipulated that the returns must exceed borrowing costs by a minimum of 2% per annum and over its expected lifetime (ROI). The Asset Investment Policy enables individual investments to provide a lower return (i.e. below 2%) if investments can demonstrate economic development opportunities for Monmouthshire or alignment to other policy objectives. However, in such circumstances borrowing costs must at least be covered.
- 3.8 All business cases received by Investment Committee considered the known risks at the time of the investment, together with the proposed mitigating action and potential exit strategies.
- 3.9 The Investment Committee has been responsible for making decisions on possible investments based on the business cases presented, ensuring that they met the criteria as set out in the Asset Investment Policy. In addition, the Committee has been responsible for ensuring that the assets are

effectively managed, performance is monitored, and performance reviewed via an annual report to the Governance and Audit Committee.

### **Proposed Governance Changes**

- 3.10 The Governance & Audit Committee received the last performance review of investment committee in November 2022. That update provided information on the local and national context and that included the strengthening of the Prudential Code and following moves by UK Treasury and the DMO (Debt Management Office) in restricting lending for commercial investments being entered into primarily for yield.
- 3.11 The Council paused any further active consideration of commercial investments activity as a consequence of the pandemic and the resultant uncertainty in property and investment markets. No investments have been made subsequent to the strengthening of the Prudential code and confirmation has been provided on an annual basis to the DMO that no PWLB borrowing is intended for the purpose of acquiring investment assets primarily for the purposes of yield.
- 3.12 As previously stated the Investment Committee established in 2018 to manage the investment portfolio had delegated authority to acquire or invest over a three-year period against a £50,000,000 fund established through approved prudential borrowing.
- 3.13 All three investments made by the Investment Committee to date had been made within the three-year period, the last of these in March 2020. The three-year period approved by Council in May 2018 has now lapsed. The expiry of this period and changes to the Council's commercial investment risk appetite has warranted a review of the governance arrangements around commercial activity, including the choice of appropriate fora to consider performance updates of the investment portfolio.
- 3.14 Furthermore, there remains a pause on further commercial investment activity and that has continued due to the ongoing market volatility since the start of the pandemic.
- 3.15 As a result of the Council's risk appetite and the ongoing strain on its financial standing any further investment will only be considered in order to support the core policy objectives contained within the Council's latest Community and Corporate Plan, and where deemed prudent, sustainable and affordable.

- 3.16 If any future investment considerations are intended to deliver against direct policy objectives of the Council then it naturally prompts for the current governance arrangements and Asset Investment Policy to be reviewed.
- 3.17 In terms of any future investment proposals, these can be considered in line with the Council's current constitution and decision-making processes through Council, Cabinet or otherwise.
- 3.18 To the extent that an investment proposal contains commercially sensitive information then either the whole or part of the report can be considered to be exempt from the press and public.
- 3.19 Notwithstanding this it is proposed that the Investment Committee, as an existing sub-committee of Council, is retained but put in abeyance. This therefore allows Council in future, and if it so wishes, to request the Investment Committee to preside over an investment proposal before making recommendation back to Council for consideration. In such circumstances this will retain the cross-party scrutiny and consideration of any such investment proposals.
- 3.20 It is proposed that the role of the Performance & Overview Scrutiny Committee now focuses on maintaining oversight and scrutiny of the performance of the Council's property investment portfolio on a six-monthly basis.
- 3.21 Furthermore it is proposed that the Governance and Audit Committee looks to seek ongoing assurance on overall governance arrangements of the commercial and property investments as part of the Council's overall land and property portfolio.
- 3.22 The Asset Investment Policy and the associated terms of reference for the Investment Committee have been updated on this basis and are shown in appendix 1.
- 3.23 In order to ensure that effective consultation takes place the changes outlined in this report will be considered by Investment Committee, and then subsequently Governance and Audit Committee, and Performance and Overview Scrutiny Committee ahead of being presented to Council for consideration. Feedback will be provided at Council and to the extent of confirming that proposed changes are supported or otherwise.

#### **4. OPTIONS APPRAISAL:**

- 4.1 The report proposes governance changes for the Council's commercial investment portfolio and for the reasons outlined in this report. The current

governance arrangements are now outdated and are in need of revision. The proposed changes are seen as the most effective means of ensuring that the performance of the investment portfolio is appropriately scrutinized and assurance is given that the governance arrangements are operating effectively.

## **5. REASONS:**

- 5.1 The Asset Investment Policy requires an annual performance review of the Investment Committee to be undertaken in order to ensure that the governance arrangements, policy documentation and legislation are being adhered to and reviewed and revised as required. This review has concluded that the governance arrangements for overseeing the Council's commercial investment portfolio are in need of revision.

## **6. RESOURCE IMPLICATIONS:**

- 6.1 The three investments acquired since the introduction of the Asset Investment Policy in 2018 are the acquisitions of Castlegate Business Park and Newport Leisure Park, and the investment in Broadway Partners Limited. £30.7m of the £50,000,000 prudential borrowing fund had been spent on these three investments. Any costs of due diligence and advice incurred exploring other commercial investment opportunities have been met from existing revenue budgets.
- 6.2 As a result of the investments, budgeted income targets have been introduced. The performance monitoring of the investment portfolio has been undertaken by the Investment Committee to date. Most recently performance updates have been provided to the Performance & Overview Scrutiny Committee and Governance & Audit Committee.
- 6.3 There are no other resource implications directly resulting from this report. This report concentrates on proposed changes to governance arrangements for the Council's commercial investment portfolio.

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

There are no equality and Future Generations implications arising from the purpose of this report. This report outlines proposed changes to future governance arrangements for the Council's commercial investment portfolio.

## **8. CONSULTEES:**

Investment Committee

Governance and Audit Committee  
Performance & Overview Scrutiny Committee

**9. BACKGROUND PAPERS:**

Appendix A – Asset Investment Policy – as revised December 2023

**10. AUTHOR(S):**

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# Appendix 1 – Asset Investment Policy (Updated Dec 2023)

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## 1. Introduction

In common with all public bodies, the Council has a property portfolio, which is used to facilitate service delivery and deliver corporate objectives. The Council has been driving down running costs through the rationalisation of its operational estate and enabling staff to work remotely. Whilst this process will continue to seek efficiencies, it is limited to cost avoidance and efficiency savings. This policy is concerned with supporting economic and regeneration policies through prudent investments, and which in turn may generate a net revenue return to the Council.

It is recognised that there has been significant scrutiny over public agencies acquisition of commercial portfolios funded by borrowing or capital reserves. This has led to government intervention and that has placed restrictions on Councils in so far as they must not borrow to invest for the primary purpose of financial return.

This policy will outline the system process that will ensure that investments are prudent, decision-making is transparent, there are defined performance and risk management frameworks in place and accountability is embedded within the governance arrangements.

## 2. Objectives of the policy

- 2.1 To invest in opportunities within the County of Monmouthshire to support economic and regeneration policies, support job and wealth creation and improve the opportunities for Monmouthshire citizens.
- 2.2 To invest in opportunities within the Council's immediate geographical boundary and neighbouring areas of economic influence which will support the Council's economic and regeneration priorities.
- 2.3 In so far as investments generate a net revenue surplus that they help sustain Council services and in supporting Council priorities.

## 3. Purpose of the Policy

- 3.1 The policy sets out the arrangements by which the:
  - Council and, as necessary, Investment Committee will assess investment opportunities
  - Performance and Overview Scrutiny Committee will assess subsequent performance and risk management
  - Governance & Audit Committee will seek assurance on overall governance arrangements
- 3.2 Investments that fall within the scope of this policy are:
  - Commercial investments through the provision of commercial loan facilities
  - The use of investment funding to acquire, build or renovate investment portfolio holdings

- Investments within equity or debenture interests.
- 3.3 All commercial investment opportunities will need to be the subject of a Business Plan which evidences that the specified financial and investment criteria set out in this policy are met.
- 3.4 The principal purpose for undertaking commercial investments will be to improve the financial, environmental or social wellbeing of the Council and its communities. Consideration will be given to the sustainable development principles within the business case and where possible the identification of options to reduce the existing carbon and environmental impact of potential investments.

#### 4. Powers to acquire land and property assets.

##### *Power to acquire and hold assets*

- 4.1 The 1972 Local Government act provides the authority for local government to both acquire and dispose of property assets. S120 deals with the acquisition of assets as follows:

*S120 Acquisition of land by agreement by principal councils.*

*(1) For the purposes of—*

*(a) Any of their functions under this or any other enactment, or*

*(b) The benefit, improvement or development of their area,*

*(c) A principal council may acquire by agreement any land, whether situated inside or outside their area.*

- 4.2 Well-being powers

Section 2 of the Local Government Act 2000, gives local authorities the power to do:

1) Anything which they consider is likely to achieve any one of the following objects:

(a) The promotion or improvement of the economic well-being of their area,

(b) The promotion or improvement of the social well-being of their area, and

(c) The promotion or improvement of the environmental well-being of their area

Section 2 (4), of the act provides local authorities with the ability to incur expenditure, give financial assistance, enter into arrangements or agreements and provide goods services and accommodation.

The Council has previously obtained specific advice and legal counsel on the application of these powers to acquire investment assets, which has confirmed that a direct benefit to the citizens of Monmouthshire needs to be accrued from the acquisition of the assets which can be tangible i.e. the provision of new facilities, or intangible i.e. funding service delivery.

##### General Power of Competence

Chapter 1 (part 2) of the Local Government and Elections (Wales) Act 2021 introduced the general power of competence powers for principal councils in Wales and which have been enjoyed by English authorities since the introduction of the Localism Act. These powers enable qualifying



councils to ‘act in their communities’ best interests’ without the need to identify specific legislative powers to undertake a particular activity. The Act sets out the boundaries of the power and the limits on charging and use of the power for commercial purposes.

The power enables councils to be more innovative and lend or invest money; or setup a company or co-operative society to trade and engage in commercial activity. Use of the power is not restricted to the geographical area of the authority or for the benefit of its residents.

*Power to borrow*

- 4.3 The power to borrow is provided via S1 of the 2003 Local Government Act. This determines that borrowing may be undertaken;
  - (b) For the purposes of prudent management of its financial affairs provided it does not exceed its affordable borrowing limit under s.3 Local Government Act 2003 (s.2 (1) and 2(4))

A number of English Authorities have sought advice on the extent of this power and whether it confers the right to borrow money for purely financial purposes. This is yet to be tested in the Courts; however, Welsh Government proposals seem to infer a greater degree of freedom than that afforded by the Localism Act, which confers the general power of competence to English authorities.

The Prudential Code, as updated in 2021, looked to address some of the wider concerns and where a small number of Councils had overly exposed themselves when entering into commercial investments. The Code requires the risks associated with investments for commercial purposes are proportionate to the Council’s overall financial capacity (i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services and the level of resources available to the organisation). The Code goes further to state that an authority must not borrow to invest primarily for financial return, unless directly and primarily related to the functions of the authority.

The UK government’s rules for access to PWLB lending now require statutory chief finance officers to certify that their local authority’s capital spending plans do not include the acquisition of assets primarily for yield, reflecting a view that local authority borrowing powers are granted to finance direct investment in local service delivery (including housing, regeneration and local infrastructure) and for cash flow management, rather than to add debt leverage to return-seeking investment activity.

Authorities with existing commercial investments (including property) are not required by the updated Prudential Code to sell these investments. Authorities may carry out prudent active management and rebalancing of their portfolios. Authorities with commercial land and property may also invest in maximising its value, including repair, renewal and updating of the properties.

**5. Financial Criteria**

- 5.1 Commercial investments will be expected to meet the criteria set out below; investments outside these criteria will require approval by Cabinet with a supporting business case and reasons for deviating from the agreed protocols.

Criteria	Measure
Minimum Return	2% benchmark net return on investment per annum and over its expected lifetime (to determine this the costs of borrowing will be deducted from the gross income received).

	Where the acquisition will result in net economic growth to Monmouthshire (through the provision of jobs, additional employment floor space, local regeneration or any other measurable community benefit) a lower return can be considered, but the return cannot be lower than 0% after borrowing.
Target annual return	7% per annum, to be reviewed annually to reflect prevailing market conditions
Minimum Repayment Provision (MRP)	To be assessed on a case-by-case basis by reference to the economic life of the asset or commercial loan term. In all cases, the MRP will not exceed 50 years.
Environmental Impacts of the proposed Investment	The proposed investment will need to quantify the baseline position and identify opportunities to reduce the environment impacts.

## 6. Investment Criteria

### *Property Investments*

6.1 All proposed land and property acquisitions are to be undertaken by the Council's Estates team or its appointed agents in accordance with prevailing legislation and the codes of practice of relevant professional bodies. All valuations must be undertaken by a qualified<sup>1</sup> member of the Royal Institution of Chartered Surveyors with knowledge of the relevant local and specialist markets.

6.2 All potential acquisitions will be assessed against the following Investment Criteria:

- Location
- Quality
- Tenure
- Title
- Portfolio blend
- Covenant strength and security of income
- Income and capital growth potential
- Potential landlord liabilities
- Identifiable risks & portfolio blend
- Development and added value opportunities
- Economic, regeneration and other key Council priorities
- Market and sectoral conditions
- Independent Valuation
- Environmental impact and sustainable development principles
- Potential exit strategy
- Sinking fund requirement

6.3 If consent is being sought to undertake borrowing to refurbish or develop a property asset a business case will be developed which considers the investment criteria set out in 6.2 above. In addition it will need to outline:

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<sup>1</sup> MRICS or FRICS

- Statutory consents required to enable the development and the outcome of any initial investigations
- Anticipated development/ refurbishment costs
- Programme timescales
- Clarification how debt repayments will be funded in advance of rental returns.

*Commercial loans, Debenture or Equity Interests.*

- 6.4 All proposed commercial investments will be led by the Council's Finance Department or its appointed specialist technical advisors in accordance with prevailing legislation and the codes of practice of relevant professional bodies.
- 6.5 All potential investments will be assessed against the following investment criteria:
- Financial standing of the proposed borrower
  - Company gearing and assets
  - Payback periods and affordability
  - Opportunity to protect investment through charges over residual assets, IPR, contracts etc.
  - Potential step in rights
  - Viability of investment purpose and market competition
  - Loan to value ratio
  - Potential risks
  - Environmental impact and the sustainable development principles
  - Potential exit strategy
  - Sinking fund requirement

**7. Governance Criteria**

- 7.1 It will be a matter for full Council to determine whether an investment proposal is to be considered by the Investment Committee before returning to Council for further consideration. Council approval will be needed for any associated cost of due diligence, and to the extent that this cannot be funded from within the Council's existing approved budget.
- 7.2 The Investment Committee will be comprised of the Council Leader, Deputy Leader, Cabinet Member for Resources and the Leaders of the two largest opposition parties (political balance 3:1:1). The Committee will be advised by the Deputy Chief Executive (s151 officer) and officers from Finance, Estates and Legal Services together with specialist technical advisors.
- 7.3 The terms of reference, which will govern the operating practices of Investment Committee, are set out in Annex 1. Three members of the Investment Committee or their nominated deputies will need to be in attendance for the meeting to be quorate.
- 7.4 A minimum of a two-stage process will be adopted by Investment Committee when considering any investment proposals.
- 7.5 Investment Committee will need to assess their training needs to ensure that they are suitably equipped to challenge and scrutinise investment proposals. Wider consideration will need to be

given to officer capability, capacity and experience and to the extent that third party advice is needed.

### *Stage 1*

- 7.6 An initial business case is to be prepared which considers the financial and investment criteria set out in this policy. Provisional heads of terms, dependencies, anticipated timescales and potential risks should also be contained in the report.
- 7.7 The business case will be presented to the Investment Committee for approval to incur costs to undertake the due diligence necessary to substantiate the provisional proposal and recommendations.

### *Stage 2*

- 7.7 Following the completion of due diligence, a final business case will be prepared. If the proposed investment remains prudent and in line with investment and financial criteria the business case will be presented to Investment Committee for consideration. Investment Committee will then make recommendation to full Council.
- 7.8 Officers will provide six-monthly investment portfolio performance and risk data to Performance and Overview Scrutiny Committee members to evaluate.
- 7.9 The Governance and Audit Committee will seek ongoing assurance on overall governance arrangements of commercial investments as part of the Council's overall land and property portfolio.

## **8. Review Principles**

- 8.1 Six monthly performance data will be presented to the Performance & Overview Scrutiny Committee to evaluate performance against the financial criteria and business case projections. If this data illustrates that an investment is deemed to be underperforming or fails to meet any debt repayment costs, a review will be undertaken to determine:
- Wider prevailing market conditions and the impact on the investment
  - The potential to increase the revenue generated or reduce holding costs
  - The anticipated sale value of the asset
  - Opportunities for debt refinancing
  - Opportunities for step in
  - Residual value against outstanding borrowing
  - Consideration whether the circumstances are short, medium or long term and the potential for recovery
- 8.5 If it is determined that the asset's sale will realise a net value in excess of the initial investment with little potential to further increase revenue returns then the asset may be sold. In circumstances where the net sale value will not meet the initial investment, the asset should be retained and actions taken to increase the capital value. In circumstances where external factors (market conditions, changes to legislation, etc.) restrict the ability for the asset to recover this value, disposal may be considered.

- 8.6 All income and expenditure from property assets will be managed by the Estates Team and commercial loans by the Finance Department.
- 8.7 Where a property investment requires specific expertise, external agents may be instructed to manage the asset on the Council's behalf. If costs cannot be recovered from service charges, they will instead be deducted from the gross annual return.

## **9 Risks**

- 9.1 As with all investments, they will be subject to fluctuations in market conditions and external factors. All investments will be considered against the security, liquidity, yield principles acknowledging that there will be variations between commercial loans, which are likely to be more liquid than property assets and have shorter paybacks. They are however unlikely to be secured against tangible assets as opposed to property investments, however their payback periods will be longer. An ongoing assessment of risk will need to be undertaken for all such investments.
- 9.2 Illiquidity - In the event that a property needs to be sold to generate capital funds, the disposal process may take an extended period of time to complete, dependent on the prevailing market conditions and the need to secure best value consideration upon disposal.
- 9.3 Commercial property will require management to safeguard the physical condition of the asset and the landlord tenant relationship. Regardless of contractual arrangements, there will always be the risk of tenant default.
- 9.4 In the event of a market downturn, it is likely that rental streams will reduce and voids may occur. This may result in the costs of borrowing exceeding revenue received; this risk can be in part mitigated through the creation of sinking funds for each investment. This is where a portion of the surplus income is ring fenced to the asset and used to fund unexpected maintenance costs or offset declining rent rolls.
- 9.5 When providing commercial loans, risks may arise from a change in the financial viability of the borrower, changes in the market, competition, changes in UK or Welsh Government policies. Whilst these scenarios should all be considered in the business plan, not all circumstances can be predicted as has been highlighted by the Covid 19 pandemic.
- 9.6 Six monthly assessments of the risk profile for the investment portfolio will enable the Performance & Overview Scrutiny Committee to evaluate and if necessary seek opportunities to mitigate the risk through for example refurbishments, or disposal of the investments.

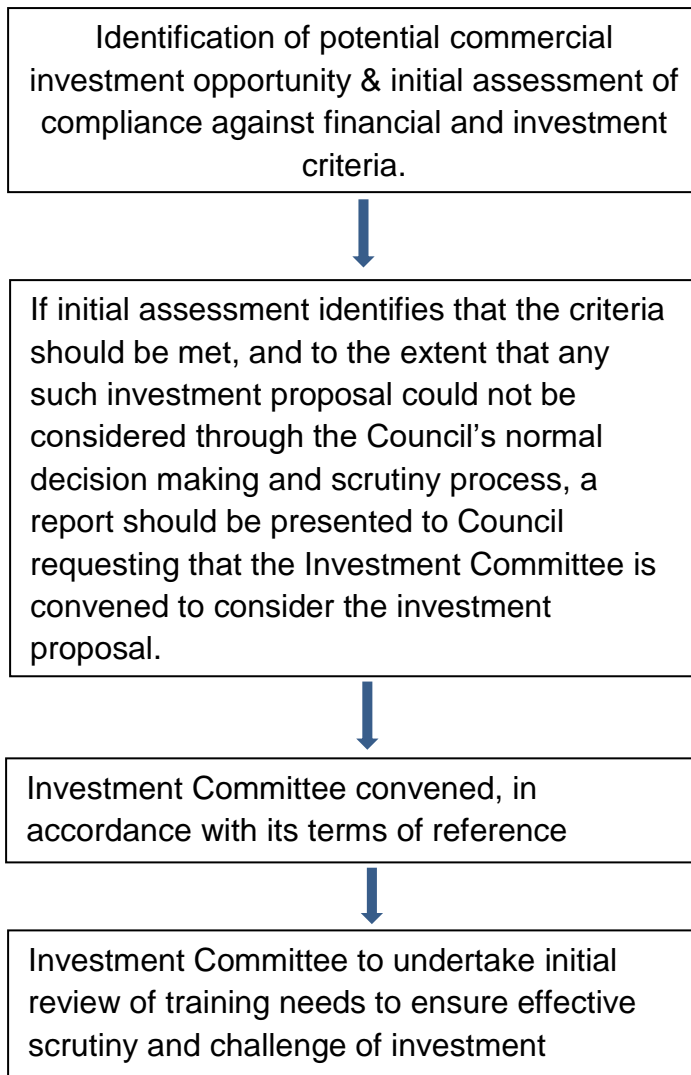
## **10. Purchasing and Finance.**

- 10.1 The Council benefits from the ability to access funding from the PWLB at relatively low interest rates and fixed repayment terms enabling certainty over debt repayments and potential yields at the point of the acquisition of an investment.
- 10.2 If stage 1 approval is provided by Investment Committee, due diligence costs will be incurred. If the investment proceeds these will be included in the total investment cost and funded through

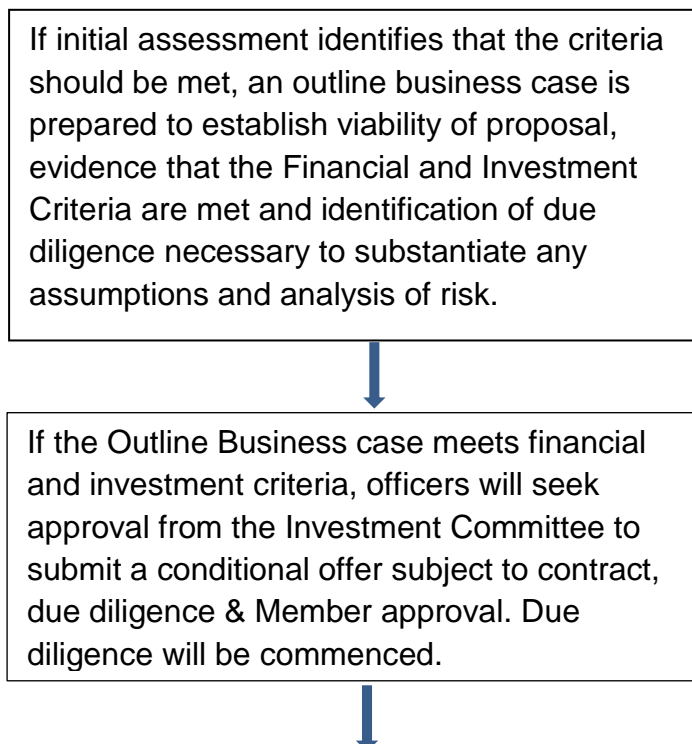
borrowing. If the proposal does not proceed if the abortive costs cannot be financed through existing revenue budgets, they will need to be set against the Investment Fund and repayments offset from the gross investment income.

- 10.3 A sinking fund will be created to manage unforeseen repair works or offset a fall in income levels to prevent the portfolio becoming a net cost to the authority. The value of the sinking fund will be determined on an individual investment basis to reflect value and risk.

## 11. Governance & Purchase Flow Chart



### Stage 1 Approval



Commission due diligence reports, surveys, re-assess financial, and investment criteria against initial assumptions. Finalise Business Case.



**Stage 2 Approvals**

Present finalised Business Case to Investment Committee for their scrutiny and decision. If investment is approved then legal processes can be implemented.



Present finalised Business Case to Investment Committee for their scrutiny and decision. Decision to be reported to full Council for consideration.



If Council approval is secured, legal processes to commence under delegated authority secured as part of the Council decision.

**Completion of legal processes**

Commence legal processes, which will be undertaken by the Council's Commercial and Property Legal Team.



If the investment is a property acquisition, exchange contracts, which contractually commits the Council to the purchase.



Finalise legal documentation. Arrange draw down of funds and completion of investment.





Post completion – if property acquisition, payment of Land Transaction Tax and other fees; arrange for rental payments and ongoing property / portfolio management. Establish sinking fund with finance team.



Update relevant colleagues / external organisations and update terrier and other software systems.

### **Performance Monitoring**

Performance dashboard of investments and risk register to be presented to Performance & Overview Scrutiny Committee on a six-monthly basis or sooner if required.

Ongoing assessment of governance arrangements around investments and wider land and property portfolio by Governance & Audit Committee.

## Annex 1 – Investment Committee Terms of Reference

- Purpose:* To hold strategic oversight and accountability for the acquisition of commercial investments in line with the Asset Investment Policy.
- Membership:* The Committee will be comprised of the following elected Members:
- The Leader
  - Deputy Leader
  - Cabinet Member with portfolio responsibility for Resources
  - Leaders of the two largest opposition parties
- The membership of the committee reflects the political balance of the current administration and will be subject to review following a local government election within the Monmouthshire County Constituency.
- Chairperson:* The Leader of the Council. In the absence of the Leader, the Deputy Leader will assume the Chair role in their absence.
- In attendance:* Leaders of the remaining opposition parties
- Chief Executive
  - Deputy Chief Executive (S151 officer)
  - Chief Officer for Law and Governance (Monitoring Officer)
  - Chief Officer, Communities and Place
  - Head of Finance (Deputy S151 officer)
  - Head of Landlord Services
  - Other Council Officers as required.
  - Specialist advisors as required.
- Deputising:* Members of the Investment Committee are able to nominate a substitute elected Member to deputise for them if they are unable to attend a committee meeting. The deputy will be able to vote on behalf of the substantive Committee Member.
- Democratic Services should be advised of any substitute Members, no less than 24 hours prior to the meeting, save in the event of an emergency.
- Voting Rights:* Will be limited to the members of the Investment Committee
- Quorum:* Three members of the committee
- Frequency:* The meetings will be convened as commercial investment opportunities arise and that require the scrutiny and oversight of the Investment Committee. Such circumstances will be determined by Council, and where it is not

considered appropriate for this to be considered through the Council's usual decision making and scrutiny functions due to the commercial sensitivity involved.

*Declarations of Interest:*

All Members, Officers and external advisors will be required to submit declarations of interest prior to discussing proceedings. Officers and external advisors with a personal or commercial interest in the proposed investment will not take part in the discussions, without the express consent of the Chair.

Investment Committee remit will be to:

1. Take decisions on proposed commercial acquisitions or investment opportunities.
2. Scrutinise business cases and ensure that proposals are in accordance with the approved Asset Investment Policy.
3. To execute the powers of authority delegated by Council in a prudent manner
4. Members of Investment Committee will act in the best interest of the corporate entity
5. The Committee will undertake review of its effectiveness and identify any training required for committee members.

**Note: Ongoing Scrutiny of Commercial Investments**

The Performance & Overview Scrutiny Committee will be responsible for:

- a) The ongoing monitoring and review of the performance of the commercial and property investment portfolio, ensuring that it meets the agreed financial benchmarks within the asset investment policy and to ensure identified risks are actively managed.
- b) To maintain oversight of mitigation and exit strategies for poorly performing investment assets, including disposals. Any disposal will need to be considered in line with the Council's disposal policy and approved by Cabinet.

The Governance & Audit Committee will be responsible for ensuring that the governance and risk management arrangements in place around the commercial and property investment portfolio, and the Council's land and asset portfolio more generally are in place and operating effectively.

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