

# Public Document Pack



Neuadd y Sir  
Y Rhadyr  
Brynbuga  
NP15 1GA

County Hall  
Rhadyr  
Usk  
NP15 1GA

Wednesday, 25 November 2015

## Notice of Reports Received following Publication of Agenda.

### Audit Committee

Thursday, 3rd December, 2015 at 2.00 pm,  
Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA

Attached are reports that the committee will consider as part of the original agenda but were submitted to democratic services following publication of the agenda.

| Item No | Item                                       | Pages |
|---------|--|-------|
| 9.1     | MRP Report - Future Generations Evaluation | 1 - 8 |

**Paul Matthews**  
Chief Executive

This page is intentionally left blank



|   |   |
|---|---|
| <p><b>Name of the Officer</b> completing the evaluation<br/>Mark Howcroft</p> <p><b>Phone no:</b>01633 644740<br/><b>E-mail:</b>markhowcroft@monmouthshire.gov.uk</p> | <p><b>Please give a brief description of the aims of the proposal</b></p> <p>To review the treasury strategy with regard to minimum revenue provision calculation</p> |
| <p><b>Name of Service Chief Executives Business Support</b></p>   | <p><b>Date Future Generations Evaluation</b> form completed</p>   |





1. **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.


Page 2

| Well Being Goal  | How does the proposal contribute to this goal? (positive and negative)  | What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?   |
|--|---|---|
| <p><b>A prosperous Wales</b><br/>Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p> | <p>The existing method of calculation (equal installment basis) takes no account of time value of money and so could easily be construed as disproportionately affecting existing service users through their Council tax contributions towards the sustaining of services.</p> | <p>The proposal alters the cashflow of minimum revenue provision payments involved in the unsupported costs of borrowing to an annuity method. This provides a cashflow benefit in early years and an increased cost in latter, but overall the cost is the same. The revision to an annuity method from equal installment basis better reflects the time value of money over the indicative life of the asset.</p> |
| <p><b>A resilient Wales</b><br/>Maintain and enhance biodiversity and ecosystems that support resilience and</p>           | <p>N/A</p>  |   |

| Well Being Goal   | How does the proposal contribute to this goal? (positive and negative)   | What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts? |
|---|--|---|
| can adapt to change (e.g. climate change)   |  |   |
| <b>A healthier Wales</b><br>People's physical and mental wellbeing is maximized and health impacts are understood   | N/A  |   |
| <b>A Wales of cohesive communities</b><br>Communities are attractive, viable, safe and well connected   | The viable aspect is consider in the efficient use of resources above  |   |
| <b>A globally responsible Wales</b><br>Taking account of impact on global well-being when considering local social, economic and environmental wellbeing                                | N/A  |   |
| <b>A Wales of vibrant culture and thriving Welsh language</b><br>Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation | N/A  |   |
| <b>A more equal Wales</b><br>People can fulfil their potential no matter what their background or circumstances   | <i>This includes the protected characteristics of age, disability, gender reassignment, race, religion or beliefs, gender, sexual orientation, marriage or civil partnership</i> |   |

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

| Sustainable Development Principle  | How does your proposal demonstrate you have met this principle?   | What has been done to better to meet this principle? |
|--|---|--|
|  <p>Long-term<br/>Balancing short term need with long term and planning for the future</p>    | <p>The proposal provides a positive cashflow effect until 2027-28 after which the cashflows effect becomes negative against the equal installment approach. The existing approach ignores the time value of money and could be viewed as disproportionately affecting current tax payers. The revised proposal provides a payment approach that avoids that inequality.</p> |  |
|  <p>Collaboration<br/>Working together with other partners to deliver objectives</p>          | <p>N/A</p>  |  |
|  <p>Involvement<br/>Involving those with an interest and seeking their views</p>              | <p>N/A</p>  |  |
|  <p>Prevention<br/>Putting resources into preventing problems occurring or getting worse</p> | <p>N/A</p>  |  |

| Sustainable Development Principle   | How does your proposal demonstrate you have met this principle?   | What has been done to better to meet this principle? |
|---|---|--|
|  <p data-bbox="331 213 517 400">Positively impacting on people, economy and environment</p> <p data-bbox="125 405 501 440">and trying to benefit all three</p> | <p data-bbox="546 213 1308 347"><i>There is space to describe impacts on people, economy and environment under the Wellbeing Goals above, so instead focus here on how you will better integrate them and balance any competing impacts</i></p> |  |

**3. 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 proposal does not seek to treat any individual with a protected characteristic any differently. The consequence of the proposal in providing a cash flow benefit to the organization up to 2027-28 will allow services to be maintained where the alternative in providing a balanced annual budget could be a reduction in service offering which would affect any number of service users. |   |   |
| Disability                    | As above   |   |   |
| Gender<br>Reassignment        | As above   |   |   |
| Marriage or civil partnership | As above   |   |   |
| Race                          | As above   |   |   |
| Religion or Belief            | As above   |   |   |
| Sex                           | As above   |   |   |
| Sexual Orientation            | As above   |   |   |
| Welsh Language                | As above.  |   |   |

4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance <http://hub/corporatedocs/Democratic%20Services/Safeguarding%20Guidance.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

|                     | <b>Describe any positive impacts your proposal has on safeguarding and corporate parenting</b>  | <b>Describe any negative impacts your proposal has on safeguarding and corporate parenting</b> | <b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b> |
|---------------------|---|--|---|
| Safeguarding        | The proposal does not seek to treat any individual with a safeguarding aspect differently. The consequence of the proposal in providing a cash flow benefit to the organization up to 2027-28 will allow services to be maintained where the alternative in providing a balanced annual budget could be a reduction in service offering which would affect any number of service users.                   |  |   |
| Corporate Parenting | The proposal does not seek to treat any individual with a corporate parenting consideration any differently. The consequence of the proposal in providing a cash flow benefit to the organization up to 2027-28 will allow services to be maintained where the alternative in providing a balanced annual budget could be a reduction in service offering which would affect any number of service users. |  |   |

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



- Baseline examination of unsupported borrowing schemes, with payments modelled on an equal installment and annuity basis for comparison.
- Consideration of similar developments in other local authorities.
- Regard for capital financing regulations
- Services of Treasury advisers
- Feedback from WAO

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

The change in approach provides a neutral cashflow consideration overall, but will introduce a positive cashflow up to and including 2027-28 with a complementary negative cashflow thereafter. The change in approach better reflects the time value of money and avoids current tax payers contributing disproportionately to the repayment of debt..

**7. 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 | Progress |
|--------------------------|------------------------------|--------------------|----------|
| <b>None</b>              |                              |                    |          |
|                          |                              |                    |          |
|                          |                              |                    |          |

**8. Monitoring: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.**

|   |  |
|---|--|
| <b>The impacts of this proposal will be evaluated on:</b> | Half yearly Treasury Strategy to Audit Committee (Sept-Oct 2016) |
|---|--|