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Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

Dydd Mercher, 21 Chwefror 2024

Hysbysiad o gyfarfod:

Cyngor Sir

**Dydd Iau, 29ain Chwefror, 2024 at 2.00 pm,
Council Chamber - Council Chamber**

AGENDA

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

Eitem No	Eitem	Tudalennau
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12.	CYNIGION I'R CYNGOR:	

12.1. Cyflwynwyd gan y Cyngorydd Sir Lisa Dymock

Mae Sir Fynwy'n falch o'i threftadaeth ac yn ystyried bod bwyd a ffermio o bwys mawr nawr ac yn y dyfodol. Bydd pawb yma'n fwy nac ymwybodol o'r pwysau ar ein ffermwyr sy'n deillio o bolisiâu amrywiol, o TB i reoliadau NVZ a'r polisi diweddaraf sy'n achosi poen difesur yw'r SFS – mae'r meini prawf y bydd yn rhaid i ffermwyr eu bodloni yn anghyraeddadwy a bydd yn ychwanegu pwysau aruthrol ar ein ffermwyr.

Gofynnaf i'r cyngor hwn alw ar Lywodraeth Cymru i oedi am funud o ran yr ymgynghoriad presennol a gweithio gyda ffermwyr, undebau ffermwyr a rhanddeiliaid eraill er mwyn dod o hyd i ffordd ymlaen sy'n gweithio i bawb - un nad yw'n cosbi ein ffermwyr a'u cymunedau ond yn hytrach, un sy'n eu cefnogi.

Rydym yn deall pwysigrwydd gwarchod ein amgylchedd a dylid rhoi ystyriaeth gyfartal i hyn, ond heb beryglu diogelwch ein bwyd wrth i ffermwyr gael eu gwithio allan o'r diwydiant.

13. CWESTIYNAU'R AELODAU

13.1. Gan y Cyngorydd Sir Richard John i'r Cyngorydd Sir Angela Sandles , Aelod Cabinet dros Gydraddoldeb ac Ymgysylltu

Pa ymgysylltu wnaeth y cyngor gyda chanolfannau hamdden yn ystod yr ymgynghoriad ar gyllideb 24-25

13.2. Gan y Cyngorydd Sir Fay Bromfield i'r Cyngorydd Sir Catrin Maby, Aelod Cabinet dros Newid Hinsawdd a'r Amgylchedd

A oes modd i'r Aelod Cabinet roi gwybod am unrhyw atgyweiriadau sydd wedi'u cynllunio i Ffordd Brynbuga os gwelwch yn dda, yn enwedig y rhan o Langybi i Frynbuga.

13.3. Gan y Cyngorydd Sir Richard John i'r Cyngorydd Sir Martyn Groucutt, Aelod Cabinet dros Addysg

Sut fydd y Cyngor yn cefnogi disgyblion sy'n agored i niwed yn ystod blwyddyn ariannol 24-25?

13.4. Gan y Cyngorydd Sir Jane Lucas i'r Cyngorydd Sir Paul Griffiths, Aelod Cabinet dros Gynllunio a Datblygiad Economaidd, Dirprwy Arweinydd

Pa gamau y mae'r Cyngor yn eu cymryd i gefnogi busnesau canol tref Trefynwy yn ystod yr amhariad diweddar?

13.5. Gan y Cyngorydd Sir Tony Kear i'r Cyngorydd Sir Catrin Maby, Aelod Cabinet dros Newid Hinsawdd a'r Amgylchedd

Yn wyneb y llifogydd a welwyd y gaeaf diwethaf ac eto ers cyfnod y Flwyddyn Newydd, hoffwn ofyn i'r Aelod Cabinet pa feddwl ymlaen a chamau rhagweithiol sy'n cael eu cymryd er mwyn mynd i'r afael â llifogydd lleol a llifogydd yng nghefn gwlad Sir Fynwy

<p>13.6.</p>	<p>Gan y Cynghorydd Sir Tony Kear i'r Cynghorydd Sir Martyn Groucutt, Aelod Cabinet dros Addysg</p> <p>O ystyried y toriadau arfaethedig i gyllidebau ysgolion yn 24/25, pa sicrwydd y gall yr Aelod Cabinet ei roi disgyblion a'u rhieni yn Ysgol Gynradd yr Eglwys yng Nghymru Brynbuga, sydd yn fy Ward, na fydd ansawdd pryd amser cinio'r plant a maint y dognau'n cael eu heffeithio</p>	
<p>14.</p>	<p>CYHOEDDI DATGANIAD AR Y POLISI TÂL FEL SY'N OFYNNOL GAN Y DDEDDF LLEOLIAETH</p>	<p>189 - 206</p>

Paul Matthews
Prif Weithredwr

CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Cynghorwyr Sir:

Rachel Buckler
Laura Wright
Tony Kear
Catrin Maby
Jan Butler
Ian Chandler
Sara Burch
Alistair Neill
Su McConnel
Mary Ann Brocklesby
Fay Bromfield
Jane Lucas
Emma Bryn
Peter Strong
Meirion Howells
Paul Griffiths
Jackie Strong
Rachel Garrick
Maria Stevens
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
Ann Webb

Gwybodaeth Gyhoeddus

Mynediad i gopiâu papur o agendâu ac adroddiadau

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

Edrych ar y cyfarfod ar-lein

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

Y Gymraeg

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

Nodau a Gwerthoedd Cyngor Sir Fynwy

Ein Pwrpas

- i ddod yn sir ddi-garbon, gan gefnogi lles, iechyd ac urddas i bawb ar bob cam o'u bywydau.

Amcanion rydym yn gweithio tuag atynt

- Lle teg i fyw lle mae effeithiau anghydraddoldeb a thlodi wedi'u lleihau;
- Lle gwyrdd i fyw a gweithio gyda llai o allyriadau carbon a gwneud cyfraniad cadarnhaol at fynd i'r afael â'r argyfwng yn yr hinsawdd a natur;
- Lle ffyniannus ac uchelgeisiol, lle mae canol trefi bywiog a lle gall busnesau dyfu a datblygu;
- Lle diogel i fyw lle mae gan bobl gartref maen nhw'n teimlo'n ddiogel ynddo;
- Lle cysylltiedig lle mae pobl yn teimlo'n rhan o gymuned ac yn cael eu gwerthfawrogi;
- Lle dysgu lle mae pawb yn cael cyfle i gyrraedd eu potensial.

Ein Gwerthoedd

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

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

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

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

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

Chair's Report 26th January – 20th February

Friday 26th January 11 a.m.	Holocaust Memorial Day Commemoration The Temple of Peace, Cathays Park, Cardiff
Saturday 27th January 11 a.m.	Holocaust Memorial Day Monmouth Community Hub
Tuesday 6th February 11 a.m.	Citizenship Ceremony Registrar's Office, Usk
Thursday 15th February 7 p.m.	Abergavenny Pantomime Company – Pantomime Dick Whittington Borough Theatre, Abergavenny
Saturday 17 th February 6 p.m.	Family Half Term – Bingo Bango! The Memorial Hall, Usk
Tuesday 20th February 7 p.m.	Gwent Music – Joint Big Band Concert with Cardiff and Vale Music Service Whiteheads Sports & Social Club, 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, 18th January, 2024 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, Maria Stevens, 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, Phil Murphy, Paul Pavia, Maureen Powell, Frances Taylor, Tudor Thomas, Armand Watts and Ann Webb

OFFICERS IN ATTENDANCE:

Jonathan Davies	Head of Finance
Paul Matthews	Chief Executive
Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Jane Rodgers	Chief Officer for Social Care, Safeguarding and Health
Will McLean	Chief Officer for Children and Young People
Nicola Perry	Senior Democracy Officer
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
Ruth Donovan	Assistant Head of Finance
Nicholas Keyse	Estates Development Manager
Tianna Thomas	Shared Benefits Service Manager Resources – Torfaen County Borough Council

1. Apologies for Absence

County Councillor Malcolm Lane.

2. Declarations of Interest

County Councillor Richard John declared a personal, non prejudicial interest in relation to agenda item 10, as he holds a part time role as a public affairs consultant and a client is the Railway Industry Association.

County Councillor Fay Bromfield declared a personal and prejudicial interest in relation to agenda item 6. She left the meeting taking no part in the discussion or voting thereon in respect of this item.

County Councillor Rachel Buckler declared a personal and prejudicial in relation to agenda item 6. She left the meeting taking no part in the discussion or voting thereon in respect of this item.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held at Council Chamber - Council Chamber on Thursday, 18th January, 2024 at 2.00 pm

County Councillor Jayne McKenna declared a personal and prejudicial in relation to agenda item 6, explaining that she has a family member who has a holiday let in Monmouthshire. She left the meeting taking no part in the discussion or voting thereon in respect of this item.

3. Chair's Announcement

The Chair's announcement was noted.

In doing so, the Chair thanked the many Primary Schools in the County that had invited him to their foundation phase nativity plays over the Christmas period. It was a delight to watch the children, who were a credit to their teachers, in the way that they interacted with each other when things went wrong.

4. To confirm the minutes of the meeting held on the 7th December 2023

The minutes of the previous meeting held on the 7th December 2023 were confirmed as an accurate record.

In doing so, County Councillor Louise Brown moved an amendment to the minutes in relation to agenda item 5 – Relocation of Pupil Referral Service South Monmouthshire. To include a sentence above the recorded vote to explain why members voted against the report as follows:

Members who voted against the report, did so, on the basis that the item had not gone to a scrutiny committee.

County Councillor Jan Bulter seconded the amendment.

Upon being put to a vote, Council resolved to reject the amendment.

<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=243>

5. AGE FRIENDLY COMMUNITIES

The Cabinet Member for Social Care, Safeguarding and Accessible Health Services presented the Age Friendly Communities report. The purpose of which, was 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.

<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=565>

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

- **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.**
- **That Council agrees to create the role of member champion for older people, and encourages town and community councils to do the same.**
- **To engage with older members of our county to inform and shape the actions to be taken by the council, partners and other stakeholders.**

6. REVIEW OF THE DECISION TO CHARGE A COUNCIL TAX PREMIUM ON SECOND HOMES IN THE COUNTY FROM 1ST APRIL 2024

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held at Council Chamber - Council Chamber on Thursday, 18th January, 2024 at 2.00 pm

County Councillors Fay Bromfield, Rachel Buckler and Jayne McKenna left the meeting for the duration of the item, as per their declaration of interest, pursuant to the Members' Code of Conduct.

The Cabinet Member for Resources presented to members the review of the decision to charge a 100% council tax premium on second homes in the County from 1st April 2024. Members were also asked to consider the likely effect that a council tax premium on second homes will have on the tourism industry in the county.

<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=1752>

The Chair accepted a request to vote on each recommendation separately, as follows:

- **Recommendation 2.1 - That Council go ahead with the decision to introduce a 100% council tax premium for second homes from 1st April 2024.**

Upon being put to a vote, Council resolved to accept recommendation 2.1.

- **Recommendation 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.**

Upon being put to a vote, Council resolved to accept recommendation 2.2.

*County Councillor Simon Howarth left meeting at the start of the item..
County Councillor Paul Pavia joined the meeting at 14:37pm*

7. COUNCIL TAX REDUCTION SCHEME 2024/25

The Cabinet Member for Resources presented to members the council tax reduction scheme 2024/25. Which presented arrangements for the implementation of the Council Tax Reduction Scheme and to approve it for 2024/25.

Members were informed that the purpose of the report was to 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.

Members noted that on 17th 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.

<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=3534>

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

MONMOUTHSHIRE COUNTY COUNCIL

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- To note the making of the Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations ("the Prescribed Requirements Regulations") 2013 by the Welsh Government on 26 November 2013.
- To adopt the provisions within the Regulations above ("the Prescribed Requirements Regulations") and any 'annual uprating regulations' in respect of its Scheme for the financial year 2024/25 including the discretionary elements previously approved as the Council's local scheme from 1st April 2023.

8. ASSET MANAGEMENT STRATEGY AND SUPPORTING POLICIES

The Cabinet Member for Resources presented the asset management strategy and supporting policies, which asked members to approve the 2023-2027 Asset Management Strategy and associated policies.

<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=4071>

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

That Council:

- Agrees to approve the Asset Management Strategy.
- Agrees to approve the supporting policies, namely the Rental Concessionary Policy, Community Asset Transfer Policy and Disposal Policy.
- To delegate authority to the Chief Officer for Resources, in consultation with the Cabinet Member for Resources, to update the Asset Management Plan annually.

*County Councillor Simon Howarth rejoined the meeting at 15:14pm
County Councillor Ann Webb left the meeting at 15:30pm*

9. INVESTMENT COMMITTEE REVIEW

The Leader presented the Investment Committee review to members on the proposed governance changes for how the Council oversees its commercial investment portfolio.

<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=7784>

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

- 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 9th, 11th and 15th January respectively.
- To approve the proposed, revised governance arrangements contained in the revised Asset Investment Policy (appendix 1) and summarized in section 4 of this report.

County Councillor Ann Webb rejoined the meeting at 16:10pm.

MONMOUTHSHIRE COUNTY COUNCIL

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10. Motions to Council

11. 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*

<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=8610>

Upon being put to a vote, Council resolved to reject the motion.

County Councillor Simon Howarth left the meeting at 16:47pm.

County Councillor Armand Watts left the meeting at 17:48pm.

12. Members Questions

13. 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?

<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=14095>

County Councillor Tony Easson left the meeting at the start of the item.

County Councillor Lisa Dymock left the meeting at 18:03pm.

14. 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?

<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=14342>

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15. **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?

<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=14567>

16. **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?

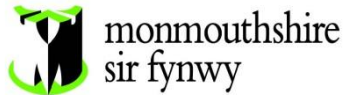
<https://www.youtube.com/live/ndNmrf9E2QQ?feature=shared&t=14721>

County Councillor Frances Taylor left the meeting at 18:09pm.

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

Noted.

The meeting ended at 6.22 pm



SUBJECT:	STRATEGIC EQUALITY PLAN 2024-28
MEETING:	County Council
DATE:	29 February 2024
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

- 1.1 To seek approval of the authority's Strategic Equality Plan and objectives for the period 2024-28.

2. RECOMMENDATIONS:

- 2.1 That Council approve the Strategic Equality Plan 2024-28.

3. KEY ISSUES:

- 3.1 Tackling inequality is one of the Council's biggest priorities as set out in the Community and Corporate Plan. It is vital that we value and make the most of the abilities and contributions of everyone in our communities, irrespective of age, gender, race, sexual orientation of any of the other characteristics that make us who we are.

- 3.2 The production of a Strategic Equality Plan every four years is also a legal requirement placed on us by the Equality Act 2010. The Act protects people from unlawful discrimination in the workplace and in wider society. It covers 9 protected characteristics: Age, Disability, Gender reassignment, Marriage and civil partnership, Pregnancy and maternity, Race, Religion or belief, Sex and Sexual orientation.

- 3.3 To ensure transparency, and to assist in the performance of this duty, the Act is underpinned by specific regulations which require public bodies to publish:

- equality objectives, at least every four years
- information to demonstrate their compliance with the public sector equality duty.

It also requires us to have due regard to the need to advance equality of opportunity between disabled people and people who are not disabled, in particular, the need to take steps to take account of disabled people's requirements.

- 3.4 We also use this plan to better support those who are socio-economically disadvantaged in terms of income and/or status in line with the Socio-economic Duty placed on public bodies in Wales.

- 3.5 Every four years we produce a Strategic Equality Plan setting out what the evidence tells us about inequality in the county, why it matters to us and the actions we'll take to make a difference to people's lives. We use this plan to set our strategic equality

objectives. These add greater detail to complement and build on the commitments we have made in the Community and Corporate Plan.

3.6 The objectives being proposed are:

- Objective 1: Give every child the best start in life.
- Objective 2: Support the creation of fair employment and good work for everyone.
- Objective 3: Work with partners and residents to build inclusive and cohesive communities.
- Objective 4: Expand our provision of community-based services that extend people's healthy life expectancy.
- Objective 5: Ensure our services are accessible to the public.
- Objective 6: Ensure we have a diverse workforce and a fully inclusive workplace.
- Objective 7: Reduce the gender pay gap.

3.7 The plan has a section for each of these objectives. Each section contains the same headings:

- why this matters to us;
- the evidence;
- the protected characteristics and other factors the objectives will affect; and,
- the proposed actions we will take.

3.8 It sets out the things we will do to contribute to national action plans including: The Anti-Racist Wales Action Plan; LGBTQ+ Action Plan for Wales; Advancing Gender Equality in Wales Action Plan and the Action on Disability Action Plan.

3.9 The plan has been subject to a four-week public consultation and policy development scrutiny by the People Scrutiny Committee. The findings were used to shape the document ahead of full council. The Strategic Equality Plan is part of the policy framework in the Constitution and is therefore a decision reserved for full Council.

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

4.1 The objectives and actions within the plan are presented in a way that enables the reader to see the potential impact on groups with protected characteristics. The Strategic Equality Plan is by its very nature a plan that is looking to address, mitigate and positively address identified issues in Monmouthshire that have an adverse impact upon people or groups of people with protected characteristics. The Plan will also have a positive effect on all of the national well-being goals.

5. REASONS:

5.1 To ensure that the authority complies with the legal requirement to produce a strategic equality plan no later than the 2nd of April 2024.

6. EVALUATION CRITERIA

6.1 The plan identifies a range of measures and milestones. These will be used to produce an annual monitoring report each year. This will be considered by Performance and Overview Scrutiny Committee.

7. RESOURCE IMPLICATIONS:

7.1 The plan can be afforded within the authority's existing budgets. Any requests for additional funding will be subject to individual decisions in accordance with the constitution.

8. CONSULTEES

Cabinet
Strategic Leadership Team
People Scrutiny Committee

The plan has been developed following two informal sessions with Cabinet and the Strategic Leadership Team which have helped shape the objectives and actions. It was subject to a four-week public consultation and policy development scrutiny by the People Scrutiny Committee. These have helped shape the final document. The proposed objectives are unchanged as the vast majority of those who have engaged during this time were supportive of the proposals. It is recognised that we need to do more to engage the community in this work and this will continue over the next twelve months to ensure that the plan can be brought to life.

9. BACKGROUND PAPERS:

None

10. AUTHOR:

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Strategic Equality Plan 2024 – 28



Version Control

Title	Strategic Equality Plan 2024-2028
Purpose	To meet the legal requirements of the Equality Act 2010
Owner	Equality and Welsh Language Officer
Approved by	Not yet approved
Date	20/2/2024
Version Number	1.0
Status	Draft – pending approval by Council
Review Frequency	Annual
Next review date	July 2025
Consultation	Public consultation via the council's website ran in January and February 2024. People Scrutiny Committee also undertook policy development scrutiny as part of this.

Our Foundation: Purpose and Values

Our Purpose

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

This purpose is at the heart of everything we do to improve the economic, social, environmental and cultural well-being of Monmouthshire.

Our Values

Values matter to us. They set out our expectations for ourselves, each other and the way we conduct business with organisations that we work with on your behalf.

Our values are:

Teamwork

Collaboration is at the heart of everything we do. We will work with you and our partners to support and inspire everyone to get involved. We will make the best of the ideas, and resources available to make sure we do the things that most positively impact our people and places.

Openness

We are open and honest. People have the chance to be involved and tell us what matters.

Flexibility

We are flexible, enabling delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

Fairness

We provide opportunities for all people and communities to thrive. We will always try to treat everyone fairly and consistently, recognising that we will sometimes need to take positive action to overcome some of the challenges faced by people with different protected characteristics.

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.

Our Community and Corporate Plan 2022-28

Monmouthshire County Council's Community and Corporate Plan sets out the things we will be working on in the medium term. The Strategic Equality Plan is aligned to the direction set in this plan.

Our Objectives:

Monmouthshire will be:

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

We shape our activity in the community and corporate plan in line with the goals and ambitions of our partners who are part of the Gwent Public Service Board (PSB). These include the Well Being Plan Objectives and the Marmot Principles.

Well-being Objectives:

- We want to create a fairer, more equitable and inclusive Gwent for all.
- We want a climate-ready Gwent, where our environment is valued and protected, benefitting our well-being now and for future generations.

Eight Marmot Principles:

- Give every child the best start in life.
- Enable all children, young people, and adults to maximise their capabilities and have control over their lives.
- Create fair employment and good work for all.
- Ensure a healthy standard of living for all.
- Create and develop healthy and sustainable places and communities.
- Strengthen the role and impact of ill-health prevention.
- Tackle racism, discrimination, and their outcomes.
- Pursue environmental sustainability and health equity together.

The Legal Context

The Equality Act 2010

The Equality Act 2010 protects people from unlawful discrimination in the workplace and in wider society. It covers 9 protected characteristics: Age, Disability, Gender reassignment, Marriage and civil partnership, Pregnancy and maternity, Race, Religion or belief, Sex and Sexual orientation.

It also requires us to have due regard to the need to advance equality of opportunity between disabled people and people who are not disabled the need to take steps to take account of disabled persons' requirements.

It also created the Public Sector Equality Duty requiring public bodies to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010.
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The act explains that having due regard for advancing equality involves:

- removing or minimising disadvantages suffered by people due to their protected characteristics.
- taking steps to meet the needs of people from protected groups where these are different from other people.
- encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

The Act also sets out a number of Specific Duties that public bodies are required to comply with:

- publish sufficient information to demonstrate its compliance with the general duty across its functions.
- prepare and publish Equality Objectives and detail the engagement that has been undertaken in developing them.
- publish a Strategic Equality Plan.
- set out how progress will be measured.

The Socio-economic Duty

The Socio-economic Duty seeks to improve the strategic decision-making of public bodies to better support those who are socio-economically disadvantaged in terms of income and/or status. It puts tackling inequality at the heart of decision-making and builds on the good work public bodies are already doing.

The duty refers to aspects of life 'socio' (your life chances and where you live) and 'economic' (how much money you have for essential and non-essential items).

Inequality can compound negative socio-economic factors. Our Strategic Equality Plan will set out objectives and actions which will help to improve socio-economic outcomes as well as focusing on group with protected characteristics.

National Policy Context

Since our last Strategic Equality Plan 2020-24, the Welsh Government has introduced further commitments that the plan will contribute to. These are the Anti-Racist Wales Action Plan, the LGBTQ+ Action Plan, the Action on Disability Plan and the Advancing Gender Equality Plan.

Anti-Racist Wales Action Plan

To achieve an anti-racist public sector in Wales, Welsh Government have identified a clear set of goals and actions that they will undertake to achieve anti-racism and it is their expectation for all public sector organisations to do the same. The different areas will aim to:

Demonstrate visible commitment to anti-racism:

- behaviour change and values.
- use of positive action.
- recruitment.
- progression.
- senior leadership.
- board representation.

Embed ways of working to tackle racism:

- use of all levers to tackle racism.
- use of data and evidence.
- policymaking.
- use of funding and grants.

Engage and deliver anti-racist services:

- cultural awareness and competency in our communications.
- language and interpretation services.
- advocacy services.

Embed accountability and demonstrate progress:

- governance and accountability arrangements.

LGBTQ+ Action Plan

The key actions for local authorities within the LGBTQ+ Action Plan are:

- involve LGBTQ+ communities in designing public service.
- homelessness services are inclusive of the specific needs of LGBTQ+ people.
- ensure Wales a Nation of Sanctuary remains inclusive of LGBTQ+ people.

- ensure that LGBTQ+ Welsh speakers have access to Welsh medium support services.
- provide equalities training that includes the needs of LGBTQ+ people to all public sector organisations.

Action on Disability Plan

In 2023 the Welsh Government set up The Disability Rights Taskforce, whose aims are to remove inequalities experienced by disabled people in society. They are developing solutions to challenge the structural, physical, and attitudinal barriers that disabled people face, which will form the new Disability Rights Action Plan for Wales, expected to be published in 2024.

Priority areas of work are:

- embedding and understanding of the Social Model of Disability (across Wales).
- access to services (including communications and technology).
- independent living: social care.
- independent living: health.
- travel.
- employment and income.
- affordable and accessible housing.
- children and young people.
- access to justice.
- wellbeing (as a workshop).

Advancing Gender Equality Plan

In March 2019 Welsh Government signed up to a vision and principles for gender equality in Wales: A gender equal Wales means an equal sharing of power, resources and influence for all women, men and non-binary people. This is a vision where the government aims to create the conditions for equality of outcome for all.

- all women can have economic independence and paid, and unpaid work is valued.
- diverse women are fairly represented in positions of influence and empowered to play a meaningful role in society.
- all women are free from discrimination and free to live their lives as they choose.
- violence against women, domestic abuse and sexual violence stops.
- existing power structures that disadvantage women are challenged.
- all women, men and non-binary people enjoy equal rights and protections and equality of outcome.

Evidence of Inequality

Monmouthshire is geographically large compared to many local authorities in Wales. It is semi-rural in nature, with just over half of the population living in urban areas. The county is often perceived as affluent. However, headline statistics can fail to shine a light on the diversity that exists within our borders.

There are many existing sources of evidence produced in recent years that have been used to inform the development of this plan:

- The Well-being Assessment produced by the Gwent Public Services Board as part of its responsibilities under the Well-being of Future Generations Act.
- Building a Fairer Gwent: improving health equity and the social determinants of Health – produced by the Institute of Health Equity.
- The Population Needs Assessment - produced under the Social Services and Well-being Act.
- Is Wales Fairer 2023 – a document prepared by the Equality and Human Rights Commission.
- The National Survey for Wales.

We've also examined a number of national action plans and strategies (as mentioned above) which look to advance the equalities agenda including:

- The Anti-Racist Wales Action Planⁱ
- LGBTQ+ Action Plan for Walesⁱⁱ
- Advancing Gender Equality in Wales Action Planⁱⁱⁱ
- Action on Disability action plan^{iv}

We understand that the issues highlighted in the above documents are symptoms of complex problems, often at a societal level. They cannot be solved by one organisation alone. Public, third and private sector must work together. Most importantly, we must work with and alongside communities to co-produce sustainable solutions.

We also recognise the importance of intersectionality. Many people possess more than one protected characteristic and systems of inequality based on race, ethnicity, sexual orientation, gender identity, disability, class and other forms of discrimination intersect.

When you read this document you'll come across evidence that relates to multiple groups but is only shown in one section. We've done this to keep it as concise as possible, but we do recognise the overlapping issues and have taken them into account when proposing actions.

Strategic Equality Objectives

Monmouthshire County Council is committed to tackling inequality and working hard to decarbonise our county. We will work with and alongside our communities to achieve this^y.

It is vital that we value and make the most of the abilities and contributions of everyone in our communities, irrespective of age, sex, race, sexual orientation or any of the other characteristics that make us who we are.

These objectives and the actions outlined on the following pages are the things that we are committed to delivering over the next four years to ensure that everyone in our county is able to achieve their full potential.

- **Objective 1:** Give every child the best start in life.
- **Objective 2:** Support the creation of fair employment and good work for everyone.
- **Objective 3:** Work with partners and residents to build inclusive and cohesive communities.
- **Objective 4:** Expand our provision of community-based services that extend people's healthy life expectancy.
- **Objective 5:** Ensure our services are accessible to the public.
- **Objective 6:** Ensure we have a diverse workforce and a fully inclusive workplace.
- **Objective 7:** Reduce the gender pay gap.

For each objective we set out the actions we will take and the outcome we are seeking to achieve. Progress will be measured using a range of outcome and output measures. A full performance framework will be developed, and progress will be reported annually to the council's Performance and Overview Scrutiny Committee in an annual monitoring report.

1. Give every child the best start in life

Why This Matters

The experiences we have in our childhoods have a huge impact on how we grow and develop, our physical and mental health, and our thoughts, feelings and behaviour. Research shows that it is associated with performance at school, future work outcomes and leads to higher income, better lifelong health and longer life expectancy.

Evidence

- Research shows that the first thousand days from pregnancy to age two offer a crucial window of opportunity to affect the future outcomes for children.
- Low birth weight is a predictor of a number of negative outcomes including lower life expectancy and educational attainment. Monmouthshire has the smallest percentage of low birthweight babies in Wales, 4.9% compared to a Wales average of 6.1%.
- There are issues with limited availability of early years providers across Gwent. Since 2020 Monmouthshire has lost 305 childcare spaces, 9% of its total.
- 27% of children in Monmouthshire live in poverty. This is the same as the UK average but below the Wales average of 34%.
- In Wales there are a range of disparities between the attainment of different ethnic groups at the foundation phase of primary education.
- Children who identify as neither a boy nor a girl are more likely to be bullied than those who identify as either a boy or a girl.
- Referrals to child and adolescent mental health services (CAMHS) in Monmouthshire grew by 89% between 2020-21 and 2021-22. This is higher than the 39% rise across Wales. Wales also has the highest rate of any of the UK nations.
- Secondary school attendance has declined since the pandemic, we have also seen a rise in the number of exclusions from school.
- Children who are eligible for free school meals have lower levels of attainment than those who are not eligible.

This objective is related to:

Age	x	Religion or belief	
Disability	x	Sex	
Gender reassignment	x	Sexual orientation	x
Marriage or civil partnership		Welsh Language	x
Pregnancy or maternity		Poverty	x
Race	x		

Actions

Action	Outcome	Responsibility	Timescale
Work with partners across the Gwent Public Services Board, including Public Health and the NHS to embed actions to reduce health inequalities in early years services.	Children, young people and families are supported to improve their health and well-being.	Strategic Partnerships Manager	March 2028
Increase the take up of free school meals focusing on those schools where the need is greatest.	No child goes hungry in school.	Chief Officer – Children and Young People	December 2024
Poverty proof our schools to reduce the cost of the school day, recognising that every pound matters to many families.	Children, young people and families are supported to improve their health and well-being.	Chief Officer – Children and Young People	March 2025
Ensure that every Monmouthshire school identifies a senior leader responsible for tackling poverty and raising the achievement of vulnerable learners.	Children, young people and vulnerable learners are supported to achieve their full potential.	Chief Officer – Children and Young People	December 2024
Develop a new Additional Learning Needs Strategy and related toolkits and	Vulnerable learners are supported to achieve their full potential.	Head of Inclusion	March 2025

Action	Outcome	Responsibility	Timescale
resources, focusing on positive behavioural support.			
Continue taking a preventative approach to reducing school absences through the Emotionally Based School Avoidance programme for school leadership.	Children, young people and families are supported to achieve their full potential.	Head of Inclusion	Ongoing
Improve access to, and use of, data gathered by schools concerning bullying, harassment and discrimination, and provide support.	Better data to provide support for children and young people to feel safe in their school environment.	Head of Inclusion	December 2025
Provide an LGBTQ+ inclusive education through the Relationships and Sexuality Education section of the Curriculum for Wales.	Children, young people and vulnerable learners are inclusively supported.	Head of Inclusion	Ongoing
Work with others to increase childcare provision and quality in areas of higher deprivation with aim of reducing inequalities.	Children, young people and families are supported to improve their well-being.	Head of Inclusion	March 2026

2. Support the creation of fair employment and good work for everyone

Why This Matters

Most people spend a substantial part of their time at work and this is a significant part of their life. The job people do, and how valued they feel, is a powerful determinant of their quality of life. As well as the obvious financial effects, being unemployed can have long-lasting negative effects on health and wellbeing. It increases mortality and is a significant driver of inequalities in physical and mental health.

Evidence

- Between September 2022 and January 2023, 92% of people in Wales said their cost of living had increased in the past year.
- Disabled people are consistently much less likely to be employed than non-disabled people. The employment rate of disabled people in Monmouthshire fell from 60% in 2014 to 51% in 2023.
- Across Wales, disabled workers' median hourly earnings have stagnated while non-disabled workers' earnings have grown.
- Disabled people are more likely to be living in poverty and severe material deprivation. However, there has been a significant decrease in the proportion of disabled people living in severe material deprivation, from 40.5% in 2015/16 to 24.3% in 2019/20
- In Wales, ethnic minority workers are more likely to be in insecure employment (8.0%) than White British workers (14.2%). However, this gap in insecure employment has narrowed over time.
- Gay and lesbian adults are more likely to be employed (67%) than adults who identify as heterosexual (55%), bisexual (52%) or any other sexual orientation.
- The 2021 census found employment rates in Wales are higher among individuals whose gender identity was the same as their sex registered at birth (54.5%) than among those whose gender identity was different from their sex registered at birth.
- At 39% the proportion of women working part-time in Wales is far higher the proportion of men which is 12%.
- Women have been disproportionately affected by the raising of the state pension age meaning they will have to spend longer in the workforce without having had sufficient opportunity to plan their retirement.
- Rural communities can be more prone to poverty than urban areas with fuel poverty and access to services a particular problem.

This objective is related to:

Age	x	Religion or belief	x
Disability	x	Sex	x
Gender reassignment	x	Sexual orientation	x
Marriage or civil partnership	x	Welsh Language	x
Pregnancy or maternity	x	Poverty	x
Race	x		

Actions

Action	Outcome	Responsibility	Timescale
Encourage local firms to become accredited disability confident employers.	Disabled people have better access to employment. More local firms with disability confidence status	Chief Officer – People, Performance and Partnerships	March 2028
Ensure our tender documentation encourages and promotes diversity amongst our suppliers and contractors.	Diversity is supported within the workplace	Equality and Welsh Language Manager	March 2025
Deliver employability programmes and build partnerships with employers and local businesses.	Diversity is supported within the workplace and with partners	Head of Economy, Employment and Skills	March 2026
Maintain a sustainable and accessible public bus network (including	Accessibility to town centres is maintained.	Head of Decarbonisation, Transport and Support Services	Ongoing

Action	Outcome	Responsibility	Timescale
community transport) that serves our town centres.			
Offer networking, signposting and, where appropriate, grant funding opportunities to support diversification of rural businesses.	Diversity is supported within the workplace and with partners.	Head of Economy, Employment and Skills	March 2028
Provide support for the creation of 6,240 sustainable job opportunities.	More people have access to employment opportunities.	Head of Placemaking, Regeneration, Highways and Flooding	March 2028

3. Work with partners and residents to build inclusive and cohesive communities

Why This Matters

Community cohesion can be undermined if some groups have different experiences or outcomes to others. This is especially true when it's as a result of a group's protected characteristics. The issues that undermine cohesion can be deep-rooted. We want to create and maintain the conditions in which local communities can flourish.

Evidence

- 73% of people who identified as heterosexual or straight felt they belong to their local area, compared with 63% who did not identify as heterosexual or straight.
- 83% of men felt safe when: at home, walking, on public transport, and in their car all, compared with 58% of women.
- Gypsy, Roma and Traveller people have the worst outcomes of any ethnic group in Wales across a range of areas including education, health, employment, criminal justice and hate crime.
- In 2021/22, police forces in Wales recorded 6,295 hate crimes, an increase from 4,654 in 2020/21.
- The proportion of Monmouthshire residents identifying as from an Asian ethnic group is 1.3%, from a Black ethnic group was 0.2% from a mixed or multiple ethnic group was 1.2%; from a white group it was 96.7% with other groups making up 0.3%^{vi}.
- The proportion of disabled people reporting experiencing domestic abuse in the past 12 months is around three times greater than that reported by non-disabled people;
- Research indicates that childcare remains a particular and unchanging barrier to accessing English classes for speakers of other languages (ESOL), particularly for female asylum seekers and refugees in Wales.
- Between 2011 and 2021, the average (median) age of Monmouthshire's increased by four years, from 45 to 49 years of age.
- Monmouthshire's population aged 65 and over is projected to increase by 41% and, more significantly, those aged 85 and over by 96% by 2043.

This objective is related to:

Age	x	Religion or belief	x
Disability	x	Sex	x
Gender reassignment	x	Sexual orientation	x

Marriage or civil partnership	x	Welsh Language	x
Pregnancy or maternity	x	Poverty	x
Race	x		

Actions

Action	Outcome	Responsibility	Timescale
Celebrate diversity and hold awareness raising events; including key dates in the calendar such as Black History Month and Ramadan	Increased awareness of diversity within the community	Equalities and Welsh Language Manager	Annually
Support and enable the creation of community groups to ensure everyone has a voice and can participate and help shape the future of our county.	Increased diversity in consultation	Equalities and Welsh Language Manager Chief Officer – Communities and Place	Ongoing
Become an age friendly county and seek accreditation from the World Health Organisation.	Older people are supported in maintaining their health and well-being. Accreditation from World Health Organisation	Partnerships Officer (Age Friendly Communities)	March 2025
Support the development a forum for disabled people.	Disabled people have a forum to inform policy making and service delivery.	Equalities and Welsh Language Manager Chief Officer – Communities and Place	March 2026
Work with partners to tackle violence against women and	Women feel safer within their environment.	Strategic Partnership Manager	Ongoing

Action	Outcome	Responsibility	Timescale
girls and domestic and sexual violence.			
Ensure that we have a clear pathway for those with no recourse to public funds.	Assistance and advice is available to those with no recourse to public funds.	Strategic Partnership Manager	March 2026
Improve our use of data analysis and CCTV to prevent crimes and provide evidence to the police when they do take place.	People feel safer within their environments.	Strategic Partnership Manager	March 2025
Improve housing support for refugees and asylum seekers and other marginalised groups.	Marginalised communities receive housing support.	Chief Officer – People, Performance and Partnerships	March 2025
Become an accredited county of sanctuary and a place of sanctuary for LGBTQ+ migrants.	Monmouthshire is an accredited county of sanctuary.	Strategic Partnership Manager	June 2024
Address period poverty and promote period dignity.	People have access to affordable period products.	Community Wellbeing Development Lead	ongoing

4. Expand our provision of community-based services that extend people’s healthy life expectancy

Why This Matters

Health inequalities often result from social inequalities. There are huge differences in healthy life expectancy between people living in different communities and clear socio-economic inequalities in behaviours such as eating, exercising and drinking. Alongside this, rising fuel and housing costs are further reducing the available funds for a healthy diet.

Evidence

- Healthy life expectancy for males is 69.8 years, which is the highest in Wales, and 70.7 years for females.
- Those living in the least deprived areas of Monmouthshire expected to live longer than those in the most deprived, by on average 6.3 years for males and 3.6 years for females. Similarly, those in the least deprived parts of Monmouthshire are likely to live in good health for longer, by an average of 10.1 years for males and 11.1 years for females.
- Families with the lowest 10% of household income would have to spend nearly three-quarters of their entire income (after housing costs) to afford the recommended healthy NHS Eatwell plate.
- In 2021/22, 42% of adults with a longstanding illness, disability or infirmity participated in at least one sport or physical activity compared with 68% who did not have a longstanding illness, disability or infirmity.

This objective is related to:

Age	x	Religion or belief	x
Disability	x	Sex	x
Gender reassignment	x	Sexual orientation	x
Marriage or civil partnership	x	Welsh Language	
Pregnancy or maternity	x	Poverty	x
Race	x		

Actions

Action	Outcome/Measurable	Responsibility	Timescale
Ensure new walking and cycling infrastructure reaches areas with the lowest rates of physical activity.	People are supported in their physical activity.	Active Travel, Communications and Engagement Manager	March 2027
Continue to provide a broad range of opportunities for people to be healthy and active including the National Exercise Referral Scheme.	People are supported in their physical activity.	Chief Officer – Customer, Culture and Wellbeing	Ongoing
Support community groups in raising awareness of health inequalities and access to information in the most deprived areas.	A reduction in health inequalities through access to information	Chief Officer – Customer, Culture and Wellbeing Equalities and Welsh Language Manager	Ongoing
Support community groups to tackle isolation and loneliness with a focus on rural communities.	A reduction in the effects of isolation and loneliness	Chief Officer – Communities and Place Equalities and Welsh Language Manager	Ongoing

5. Ensure our services are accessible to the public

Why This Matters

Public services play a vital role in the lives of tens of thousands of people very day. Many people face barriers accessing the things they need. This can be physical, like buildings not having accessible toilets, they can be caused by how we present information so not everyone can process it, or it may be people's attitudes to difference.

Evidence

- Only 24% of those aged over 70 are likely to use digital technology to support their health compared to 87% of people aged 16–19.
- Public and private return travel times to services such as doctors' surgeries, libraries or leisure centres in Monmouthshire are higher than the Wales average in every category except one^{vii}.
- 7.3% of Monmouthshire residents were identified as being disabled and limited a lot^{viii}.
- Young Carers are more likely than others of their age to live in deprived areas and experience disruption to their education^{ix}.

This objective is related to:

Age	x	Religion or belief	
Disability	x	Sex	
Gender reassignment	x	Sexual orientation	
Marriage or civil partnership		Welsh Language	x
Pregnancy or maternity		Poverty	x
Race	x		

Actions

Action	Outcome	Responsibility	Timescale
Continue to ensure our public buildings are fully accessible to all service users.	Buildings are fully accessible to all people.	Head of Estates	Ongoing

Action	Outcome	Responsibility	Timescale
Work with partners to ensure the provision of accessible toilets in our town centres.	Town centre toilets are accessible to all people.	Head of Estates	March 2028
Ensure that all communications are accessible, including recognising the needs of neurodiverse people.	All people can access communications.	Active Travel, Communications and Engagement Manager	ongoing
Ensure we use the social model of disability when developing new services and reconfiguring existing ones.	Barriers for disabled people are removed. Social Model of Disability is embedded across the organisation	Equality and Welsh Language Manager Head of Social Care, Safeguarding and Health	March 2025
Promote courses to raise digital skills and literacy amongst all groups through community education courses and our community hubs.	Accessibility is improved through digital skills.	Head of Digital Design and Innovation	March 2028
Increase the number of Welsh speakers employed by the council to improve access.	Welsh speakers can fully access services in their own language.	Equality and Welsh Language Manager	March 2028
Promote the active offer of language choice in social care.	People can access services in their language of choice.	Equality and Welsh Language Manager	March 2025

Action	Outcome	Responsibility	Timescale
Ensure that training on equalities is available to all staff and councillors to improve inclusive decision-making.	Inclusive decision making is improved.	Equality and Welsh Language Manager	March 2025
Review Integrated Impact Assessment (IIA) process	The Integrated Impact Assessment process is fit for purpose and embedded.	Equality and Welsh Language Manager Chief Officer – People, Performance and Partnerships	December 2024

6. Ensure we have a diverse workforce and a fully inclusive workplace

Why This Matters

When employees trust that they will be treated regardless of race, sex, sexual orientation or age, they are more likely to be happy and productive in their roles. Having an inclusive and accessible workplace helps attract a diverse pool of talent and ensures the organisation can retain the diverse talent we already have.

Evidence

- 73% of the council employees are female.
- 2% of the workforce have indicated that they have a disability.

This objective is related to:

Age	x	Religion or belief	x
Disability	x	Sex	x
Gender reassignment	x	Sexual orientation	x
Marriage or civil partnership		Welsh Language	x
Pregnancy or maternity		Poverty	
Race	x		

Actions

Action	Outcome	Responsibility	Timescale
Ensure that we attain disability confident level 2 status within the first year of this plan and then work towards levels 3.	Disability Confident Level 2 is attained.	Equality and Welsh Language Manager	June 2024
Put in place measures to support	Neurodiverse colleagues are supported within the workplace.	Equality and Welsh	Ongoing

Action	Outcome	Responsibility	Timescale
and accommodate the needs of neurodiverse colleagues.		Language Manager	
Actively target recruitment opportunities towards groups who are under-represented in our workforce.	Under-represented groups have more representation with the workforce.	Chief Officer – People, Performance and Partnerships	March 2025
Address the data gaps that exist across all protected characteristics (particularly ethnicity and disability) and disaggregate data by across policy areas.	Data gaps are reduced to better inform decision making.	Chief Officer – People, Performance and Partnerships	March 2025
Provide access to inclusion training for all staff to ensure awareness of inclusivity and diversity within the workplace	Diversity within the workforce is celebrated.	Equality and Welsh Language Manager Chief Officer – People, Performance and Partnerships	December 2024
Develop staff networks to raise awareness of under-represented groups within the workforce	Staff networks developed.	Equality and Welsh Language Manager	March 2025

7. Reduce the gender pay gap

Why This Matters

The gender pay gap has wide implications for society. It affects women's pension contributions and results in a higher incidence of poverty and social exclusion in later life.

Evidence

- 89.1% of single-parent households in Wales are headed by women and are the most likely to be living in poverty.^x
- The proportion of women working part-time in Wales remains far higher (39.0% in 2022) than the proportion of men (12.1%).
- The pay gap between men and women persists, as women are on average paid 14.1% less than men in Wales. However, this gap has narrowed slightly between 2010 and 2019.
- Average female weekly pay in the county of Monmouthshire is £559 compared to £633 for males.
- Research by the Equality and Human Rights Commission highlighted that childcare needs and caring responsibilities continue to be a significant barrier to gender equality in employment and education.

This is related to:

Age		Religion or belief	
Disability		Sex	x
Gender reassignment		Sexual orientation	
Marriage or civil partnership		Welsh Language	
Pregnancy or maternity	x	Poverty	x
Race			

Actions

Action	Outcome/Measurable	Responsibility	Timescale
Ensure that career pathways do not limit the ability of part-time staff to progress into senior roles.	Part time staff are not limited in progressing into senior roles.	Head of HR	March 2028
Continue to operate a transparent job evaluation scheme to ensure equitable pay rates.	Equitable pay rates are ensured.	Head of HR	Ongoing
Publish information on the gender pay gap annually, evaluate the reasons for the difference in pay and explore appropriate actions to address them.	Annual publication of gender pay gap information and actions to address this are explored.	Head of HR	Annually

Appendix 1: Consultation

The evidence, proposed objectives and actions have been subject to a four-week consultation period that took place between January and February 2024. As well as a website survey, the consultation was sent to local groups with members possessing protected characteristics defined by the Equality Act 2010.

The level of responses was relatively low, those who did respond were largely supportive of the objectives and actions proposed. There were some views expressed that articulated clear views on gender identity.

We also drew on evidence from other consultations including work done to develop a well-being assessment for the Gwent Public Services Board and the development of an age friendly Monmouthshire. There was a high response level to the consultation on the latter subject. Key issues emerging included: access to public transport, parking in town centres, accessible facilities, better housing for the needs of older people, access to and understanding of digital technology and the discrepancy in health care, depending on where you live.

The draft strategic equality plan benefitted from consideration by the council's People Scrutiny Committee which has helped shape the final version. Feedback included the need to ensure the plan fully reflected the socio-economic challenges faced by rural communities and the challenges faced by women affected by increases changes in the state pension age, often referred to as the WASPI group. Views were also stressed about the importance of differentiating between sex and gender.

These have used to inform the final plan. The plan may continue to evolve as further work is done with community groups to understand the issues they face.

Appendix 2: References

- i <https://www.gov.wales/anti-racist-wales-action-plan>
- ii <https://www.gov.wales/lgbtq-action-plan-wales>
- iii <https://www.gov.wales/advancing-gender-equality-action-plan>
- iv <https://www.gov.wales/action-disability-right-independent-living-framework-and-action-plan>
- v Monmouthshire County Council, Community and Corporate Plan 2022-28.
- vi Office for National Statistics, Census 2021, <https://www.ons.gov.uk/visualisations/censusareachanges/W06000021/>
- vii Welsh Index of Multiple Deprivation 2019 <http://gov.wales/statistics-and-research/welsh-indexmultiple-deprivation/?lang=en>
- viii Office for National Statistics, Census 2021, <https://www.ons.gov.uk/visualisations/censusareachanges/W06000021/>
- ix Equality and Human Rights Monitor 2023: Is Wales Fairer? (ibid)
- x Equality and Human Rights Monitor 2023: Is Wales Fairer? <https://www.equalityhumanrights.com/our-work/equality-and-human-rights-monitor/equality-and-human-rights-monitor-2023-wales-fairer>



Integrated Impact Assessment document

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

<p>Name of the Officer: Matthew Gatehouse</p> <p>Phone no: 0778 555 6727 E-mail: matthewgatehouse@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal:</p> <p>Our Strategic Equality Plan sets out what the evidence tells us about inequality in the county, why it matters to us and the actions we'll take to make a difference to people's lives. We use this plan to set our strategic equality objectives. These add greater detail to complement and build on the commitments we have made in the Community and Corporate Plan.</p>
<p>Name of Service area: Equality and Welsh Language</p>	<p>Date: 31 January 2024</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	Objective one sets out a range of actions which will contribute to our objective of giving every child the best possible start in life. The plan also articulates our commitment to become an age friendly county and seek accreditation from the World Health Organisation.	None identified at this stage	A motion has been passed by Council to take forward the age friendly county work.
Disability	We will encourage local firms to become accredited disability confident employers. We will continue to ensure our public buildings are fully accessible to all service users.	None identified at this stage	We will embed the Action on Disability action plan throughout our work and use the social model of disability when developing new services and reconfiguring existing ones

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	We will celebrate diversity and hold awareness raising events. We will also provide an LGBTQ+ inclusive education.	None identified at this stage	We will embed the actions within the LGBTQ+ Action Plan for Wales within our work.
Marriage or civil partnership	This plan is aimed at improving the delivery of services to all groups with protected characteristics. We remain open to working with group who identify additional actions which we could take in relation to those group.	None identified at this stage	No additional actions identified at this stage
Pregnancy or maternity	We will ensure that career pathways do not limit the ability of part-time staff to progress into senior roles. This will have a positive effect on those returning after maternity leave who are more likely than the wider workforce, to seek part-time hours.	None identified at this stage	No additional actions identified at this stage
Race	We will improve housing support for refugees and asylum seekers;	None identified at this stage	No additional actions identified at this stage
Religion or Belief	We will become an accredited county of sanctuary and a place of sanctuary for LGBTQ+ migrants which is likely to benefit those of different religions or beliefs.	None identified at this stage	No additional actions identified at this stage
Sex	Objective 7 is focused on reducing the gender pay gap. In addition there are specific actions to ensure that career pathways do not limit the ability of part-time staff to progress into senior roles should have a positive effect on females who are proportionately more likely to occupy part time roles	None identified at this stage	We will publish information on the gender pay gap annually. We will embed the Advancing Gender Equality in Wales Action Plan throughout our work.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Sexual Orientation	We will provide an LGBTQ+ inclusive education through the Relationships and Sexuality Education section of the Curriculum for Wales.	None identified at this stage	We will embed the actions within the LGBTQ+ Action Plan for Wales within our work.

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.

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	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Socio-economic Duty and Social Justice	The plan sets out our commitments to meet the socio-economic duty. Specifically we will poverty proof our schools to reduce the cost of the school day, recognising that every pound matters to many families.	None identified at this stage	

3. Policy making and the Welsh language.

How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<p>Policy Making</p> <p>Effects on the use of the Welsh language,</p> <p>Promoting Welsh language</p> <p>Treating the Welsh language no less favourably</p>	<p>We will continue to use our Integrated Impact Assessment Tool to assess the benefits of new proposals on the language</p>	<p>None identified at this stage</p>	<p>We included questions as part of the consultation to ascertain the view of respondents to understand how we could strengthen the strategic equality plan to have a positive effect on the language.</p>
<p>Operational</p> <p>Recruitment & Training of workforce</p>	<p>We will continue to promote Welsh courses to all staff in the council to increase the proportion of our workforce who can speak Welsh</p>	<p>None identified at this stage</p>	<p>We will assess all jobs before they are advertised to understand whether they need to be designated as Welsh language accessible or desirable so that we can continue to ensure that we have Welsh speakers in customer facing roles</p>
<p>Service delivery</p> <p>Use of Welsh language in service delivery</p> <p>Promoting use of the language</p>	<p>Objective 5 includes our commitment to increase the number of Welsh speakers employed by the council to improve access in the delivery of all services</p>	<p>None identified at this stage</p>	<p>We will assess all jobs before they are advertised to understand whether they need to be designated as Welsh language accessible or desirable so that we can continue to ensure that we have Welsh speakers in customer facing roles.</p> <p>Promote the active offer of language choice in social care</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>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Yes. Our proposed objective to support the creation of fair employment and good work for everyone will make a positive impact on this goal. We will ensure our tender documentation encourages and promote diversity amongst our suppliers and contractors promoting more equality within our supply chain and local firms. We will also deliver employability programmes and build partnerships with employers and local businesses</p>	<p>No additional actions identified at this stage</p>
<p>A resilient Wales Maintain and enhance biodiversity and land, river and coastal ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>No specific actions contributing to this goal.</p>	<p>We will ensure that any actions undertaken are consistent with the commitments made within our Climate and Nature Emergency Strategy</p>
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Yes. Objective 4 is focused on expand our provision of community-based services that extend people's healthy life expectancy. We will work with partners to embed actions to reduce health inequalities in early years services</p>	<p>Wherever possible, work with partners across Gwent to ensure the work carried out to deliver this strategy is consistent with the Marmot principles adopted by the Public Services Board</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>Yes. Objective 3 is focused on working with partners and residents to build inclusive and cohesive communities.</p>	<p>No additional actions identified at this stage</p>
<p>A globally responsible Wales Taking account of impact on global well-being when considering local</p>	<p>The plan recognizes our role supporting those who have fled conflict and persecution in other parts of the world.</p>	<p>Work with local groups such as Abergavenny Town of Sanctuary and the Monmouthshire Muslim Community Association to raise awareness.</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		
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	The plan is focused on valuing and making the most of the abilities and contributions of everyone in our communities, irrespective of age, gender, race, sexual orientation of any of the other characteristics that make us who we are. Valuing the richness of this diversity will enhance the culture of our places.	Ensure that the work in this plan dovetails with the commitments in the council's Welsh Language Strategy.
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Yes. Equality of embedded throughout this plan an is central to its very nature. As an example, we will continue to operate a transparent job evaluation scheme to ensure equitable pay rates	These are identified throughout the plan. A public consultation was conducted to identity how other may have had ideas on how we could further strengthen these.

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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>Balancing short term need with long term and planning for the future</p>	<p>The evidence we have identified highlights issues that have been prevalent in society over many generations. The plan covers the period 2024-28 and we recognise that we need to be working on thins now that we may not see the benefit of for many years</p>	<p>A public consultation was conducted to identity how other may have had ideas on how we could further strengthen these.</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>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The plan sets out a range of areas where we are working in collaboration with others, from embedding national action plans locally, through to working with partners across Gwent to become a Marmot Region focused on tackling health inequalities.</p>	<p>Continue to work in collaboration with local group such as Monmouthshire Muslim Community Association and Abergavenny Town of Sanctuary. In addition, close work with Newport City Council through our shared community cohesion team</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The plan has been subject to public consultation. We recognise that involvement in this area in recent years has not been as strong as we would like, as a result of capacity constraints. This has now been addressed and we are committed to improving how we involve all groups in future.</p>	<p>A public consultation was conducted to identify how other may have had ideas on how we could further strengthen these.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>By identifying evidence of inequality, we are recognising where problems currently exist. The plan is focused on tackling those issues and preventing problems occurring in the first place. This includes things like our work on tackling health inequalities and work on the early years which are intended to address the root cause of problems in the early years of a child's life.</p>	<p>A public consultation was conducted to identify how other may have had ideas on how we could further strengthen these. We will continue to work closely with the Institute of Health Equity to identify preventative actions.</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>.The way in which this plan has been produced, is aimed at ensuring we consider how each of the objectives interact with each other and trying to ensure we look across multiple protected characteristics when identifying the actions we will take.</p>	<p>We need to recognise the importance of intersectionality in all actions we take.</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?

	Describe any positive impacts your proposal has	Describe any negative impacts your proposal has	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Safeguarding is about ensuring positive action that promotes the well-being of children and vulnerable adults, preventing them from being harmed and protecting those who are at risk of abuse and neglect. This plan has positive actions focused on giving young people the best possible start in life and tackling the inequalities that can persist across generations, and is focused on preventative actions	.None identified at this stage.	No additional actions identified at this stage.
Corporate Parenting	At this stage there are no specific actions identified that would have a positive or negative effect on the council's corporate parenting responsibilities		

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

The plan contains a wide range of evidence with objective being accompanied by a section setting out the evidence that has informed its development. This includes, but is not limited to:

- The employment rate of disabled people in Monmouthshire fell from 60% in 2014 to 51% in 2023.
- At 39% the proportion of women working part-time in Wales is far higher the proportion of men which is 12%.
- 83% of men felt safe when: at home, walking, on public transport, and in their car all, compared with 58% of women;
- The proportion of Monmouthshire residents identifying as from an Asian ethnic group is 1.3%, from a Black ethnic group was 0.2% from a mixed or multiple ethnic group was 1.2%; from a white group it was 96.7% with other groups making up 0.3%¹;
- Monmouthshire's population aged 65 and over is projected to increase by 41% and, more significantly, those aged 85 and over by 96% by 2043

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

The objectives and actions within the plan are presented in a way that enables the reader to see the potential impact on groups with protected characteristics. The Strategic Equality Plan is by its very nature a plan that is looking to address, mitigate and positively address identified issues in Monmouthshire that have an adverse impact upon people or groups of people with protected characteristics. The Plan will also have a positive effect on all of the national well-being goals.

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
The plan is focused on addressing inequality, with all actions focused on groups with protected characteristics	The final version of the plan will set out clear timescales for delivery	Chief Officer – People, Performance and Partnerships

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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 into equality and future generations considerations wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	Informal Cabinet	n/a	Developed alongside the production of the draft document
2	Scrutiny	6/2/24	Correction of typo
3	Council		

¹ Office for National Statistics, Census 2021, <https://www.ons.gov.uk/visualisations/censusareachanges/W06000021/>

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REPORT

SUBJECT:	Revision to 2023/24 MRP Policy, 2024/25 Capital Strategy, 2024/25 Treasury Management Strategy
DIRECTORATE:	Resources
MEETING:	Council
DATE:	29th February 2024
DIVISION/WARDS AFFECTED:	Countywide

1. PURPOSE

- 1.1. To seek approval of a revision to the Council's MRP policy for 2023/24.
- 1.2. To approve the Council's 2024/25 Capital and Treasury Management Strategies, including the Minimum Revenue Provision (MRP) policy.

2. RECOMMENDATIONS

- 2.1. That Council approves the revision to the 2023/24 Minimum Revenue Provision policy relating to supported borrowing as outlined in **Appendix 1**.
- 2.2. That Council approves the Capital strategy for 2024/25 as found at **Appendix 2**.
- 2.3. That Council approves the Treasury management strategy for 2024/25 as found at **Appendix 3**, including the:
 - 2024/25 Minimum Revenue Provision Policy Statement
 - 2024/25 Investment & Borrowing Strategies
- 2.4. That Council agrees that Governance & Audit Committee should continue to review the Council's treasury activities for 2024/25 on behalf of the Council by receiving and considering quarterly treasury update reports and a year-end report.

3. KEY ISSUES

Proposed revision to the Minimum Revenue Provision Policy for 2023/24

- 3.1. The Welsh Government updated its statutory guidance regarding MRP in 2018 providing advice on how local authorities may determine prudent charges for MRP. This guidance was issued by Welsh Ministers under section 21(1A) of the Local Government Act 2003

[Revised 2018] and is effective from 1st April 2019. The four existing options for prudent provision remained but with two alternative options under Option 3 (the Useful life method) as follows:

Option 3(a) – Equal Instalment Method

Option 3(b) – Annuity Method

- 3.2. For supported borrowing the Council is currently adopting Option 3(a) whereby MRP is based on 2% per annum, equivalent to equal instalments over an assumed 50 year life.
- 3.3. Neither the guidance nor legislation defines what is prudent. It is therefore a decision for each council to manage this appropriately and to determine prudent repayment based on its own individual circumstance. This will involve taking account of medium/long term financial plans, current budgetary pressures, current and future capital expenditure plans, funding needs and any longer term transformational plans.
- 3.4. The current MRP policy when combined with the cost of interest on outstanding borrowing places a significant burden on the Council's revenue budget, and these charges are biased towards the early years of the asset rather than being spread more evenly across the whole life of the asset.
- 3.5. There is also inconsistency in approach between supported and unsupported borrowing which is an additional administrative burden for the financial management of MRP.
- 3.6. The Council has undertaken a review to determine whether this remains the most appropriate method and whether adoption of 3(b) - the Annuity Method for supported borrowing would result in a more prudent provision than the current Equal Instalment Method.
- 3.7. In forming an opinion the Council has given regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) publication "*Practitioners' Guide to Capital Finance in Local Government*" which states the following:

"it is arguably the case that the annuity method provides a fairer charge than equal instalments as it takes account of the time value of money, whereby paying £100 in 10 years' time is less of a burden than paying £100 now. The schedule of charges produced by the annuity method thus results in a consistent charge over an asset's life, taking into account the real value of the amounts when they fall due. The annuity method would then be a prudent basis for providing for assets that provided steady flow of benefits over their useful life."
- 3.8. It is therefore considered that the equalisation of MRP under an annuity-based calculation will have the effect of ensuring that current and future generations will consume equal benefits from the Council's capital assets.

- 3.9. The proposals above demonstrate that the policy is consistent, affordable over the longer term and ensures a more equitable spread of debt repayment costs across all generations of taxpayer.
- 3.10. The change also ensures alignment of policy between supported and unsupported borrowing and removes a level of administrative burden and complexity for finance team in the management of MRP.
- 3.11. It is therefore proposed that Council are asked to approve a change in MRP policy to the following methods:

Type of Expenditure	Option Applied	MRP Calculation
Supported Borrowing funded Expenditure	Option 3	Calculated on an annuity basis over the expected useful life of an asset. The MRP element increases over time to reflect a consistent charge over life of the assets taking into account the real value of money.
Unsupported Borrowing funded Expenditure	Option 3	Calculated on an annuity basis over the expected useful life of an asset. The MRP element increases over time to reflect a consistent charge over life of the assets taking into account the real value of money.

3.12. Financial implications

- 3.13. The revised MRP calculation will be based on charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational.
- 3.14. A consequence of this more prudent provision is significant MRP savings over the medium term:

Financial Year	Estimated Current MRP £'000	Revised MRP £'000	Difference £'000
2023/24	1,812	805	-1,007
2024/25	1,861	861	-1,000
2025/26	1,861	891	-970
2026/27	1,861	922	-939
2027/28	1,861	954	-907

- 3.15. Annual monetary savings continue to 31st March 2047 by applying the Annuity Method together with an increased annual cost thereafter albeit recognising the time value of money. Crucially, the overall amount of provision remains the same, and ensures that full provision is made over time to match the debt needing to be repaid.

2024/25 Capital Strategy

Overview

- 3.16. The Capital Strategy sets out the longer-term context in which capital investment decisions are made and demonstrates that the Authority takes capital investment decisions that are in line with its Corporate priorities, and gives consideration to both risk, reward and impact. It also demonstrates that these decisions are taken whilst having proper regard to the stewardship of public funds, value for money, prudence, sustainability and affordability.
- 3.17. The capital plans of the Authority are inherently linked with the treasury management activities it undertakes, and therefore this report is brought alongside the Treasury management strategy report.
- 3.18. The main considerations arising from the Capital strategy shown in **Appendix 2** are summarised in this report below.
- 3.19. The Capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 3.20. The Cabinet's Community and Corporate Plan establishes a clear purpose to become a zero-carbon county, supporting wellbeing, health and dignity for everyone at every stage of life and sets the goals for Monmouthshire to be a:
- A Fair place to live where the effects of inequality and poverty have been reduced;
 - A Green place to live and work, with reduced carbon emissions, and making a positive contribution to addressing the climate and nature emergency;
 - A Thriving and ambitious place, where there are vibrant town centres, where businesses can grow and develop;
 - A Safe place to live where people have a home and community where they feel secure;
 - A Connected place where people feel part of a community and are valued;
 - A Learning place where everybody has the opportunity to reach their potential.
- 3.21. Achievement of these objectives will be pursued via actions driven by an array of enabling plans and individual service plans. In some instances, these actions will involve a requirement for capital investment.

- 3.22. A large degree of capital investment is funded from grants, or internal resources such as capital receipts and specific reserves, which do not impact on borrowing levels, but where borrowing is required, it is important that the approved limits are not exceeded.
- 3.23. This is an important area of overall financial management governance in that debt funded capital expenditure, and the external borrowing that results, locks in the Council into financing costs sometimes for as long as 50 years. These costs are comprised of the external loan interest costs and the provision for financing the debt funded capital expenditure, known as Minimum Revenue Provision (MRP).
- 3.24. In the current climate of financial constraints and a continued Medium Term Financial Projection (MTFP) revenue budget gap, capital investment needs to remain within affordable limits. Demand for capital resources remains high and therefore inevitably, prioritisation of projects, leveraging in other sources of funding and working with partners remain key to meeting this demand.
- 3.25. Within the context of significant demands for capital resources and limited availability, there is the need to develop and link our use of the various strategic plans across the organisation which drive the need for capital investment and develop alternative strategies to meet demand so the Councils own capital programme is prioritised within an affordable framework.
- 3.26. **Setting Capital Budgets**

Final 2024/25 Capital Medium Term Financial Plan

Scheme Type	Final Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28
Asset Management Schemes	2,630,049	2,230,049	2,230,049	2,230,049
School Development Schemes	19,456,606	4,151,797	0	0
Infrastructure & Transport Schemes	6,144,740	4,204,740	4,204,740	4,204,740
Regeneration Schemes	150,000	730,200	730,200	730,200
Inclusion Schemes	1,150,000	1,200,000	1,200,000	1,200,000
ICT Schemes	303,000	413,000	413,000	413,000
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Capitalisation Directive	3,357,500	507,500	507,500	507,500
Other Schemes	550,000	570,000	570,000	570,000
Total Expenditure	35,241,896	15,507,287	11,355,490	11,355,490

- 3.27. The capital MTFP and capital strategy seek to work towards a financially sustainable core capital programme, whilst balancing the need to deliver capital investment plans in line with policy commitment and need.
- 3.28. The current capital MTFP does not cover all the capital budget pressures that have been identified. This shows that there is more demand for capital spending than the Council considers it can reasonably afford. This means that capital schemes will have to be ranked or the capital available has to be divided more widely than is ideal.

- 3.29. All stakeholders must understand that paying for capital spending by borrowing only pushes the cost to revenue budgets over future years, but at the same time if capital maintenance works are put off then the total lifetime costs of keeping an asset are likely to go up. This effect is often hidden in medium term financial planning as asset lives are much longer than four years.
- 3.30. The capital programme includes yearly investment for property maintenance, highways maintenance, relevant specific capital grants and the future schools programme. This will help to deal with the most urgent backlog issues, focussing on worst condition first and related risk. However, estate rationalisation programs, closure/disposal of assets, asset transfers and other capital projects to refurbish or replace operational properties will also be used to reduce the backlog funding needed. This will not solve the specific total backlog but is a way of targeting the main issues in a reasonable way.
- 3.31. **Capital Financing**
- 3.32. All capital expenditure incurred has to be physically financed. Once the finite available sources of internal financing (capital receipts, reserves/revenue) and external grant financing are extinguished the Authorities only recourse is to debt (borrowing).

Medium term capital financing

Financing source	Final Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28
Debt	14,489,533	8,221,113	7,782,990	7,782,990
External sources	16,351,863	6,215,674	2,502,000	2,502,000
Capital Receipts	4,147,500	967,500	967,500	967,500
Reserves	253,000	103,000	103,000	103,000
Total Funding	35,241,896	15,507,287	11,355,490	11,355,490

- 3.33. Approval of capital expenditure funded through borrowing locks the Council into committing revenue funding over a very long period (as long as 50 years). Minimum Revenue Provision (MRP) is required to be funded from revenue budgets to cover expected borrowing repayments and the level of MRP is increasing over the medium-term so the Authority needs to ensure its capital plans remain affordable and sustainable.

Proportion of financing costs to net revenue stream

Proportion of financing Costs to net revenue stream	2023/24 Estimate £m's	2024/25 Estimate £m's	2025/26 Estimate £m's	2026/27 Estimate £m's	2027/28 Estimate £m's
Net Interest payable	6.6	5.9	6.9	7.1	7.1
MRP	6.0	6.2	6.7	7.0	6.7
Total Financing costs	12.6	12.1	13.6	14.1	13.8
Net Revenue Stream	189.6	198.5	203.2	208.1	213.2
Proportion of net revenue stream %	6.65%	6.09%	6.72%	6.74%	6.48%

- 3.34. The table above compares financing costs to the net revenue stream i.e. the amount of income from Council Tax, business rates and general government grants. The overall proportion of financing costs remains fairly stable over the MTFP window which is reflective of the total revenue stream increasing in line with expected inflationary impacts whilst the financing costs increase moderately in line further capital investment made, most notably the completion of the new Abergavenny 3-19 school.
- 3.35. Total financing costs remain sustainable within the context of the Authorities overall revenue budget in so much that they are fully provided for within the medium term financial plan.

Ongoing Capital Programme Development

- 3.36. In light of continuing funding constraints, it is important that the Council understands the key risks and future aspirations for capital investment. These are captured through various plans and strategies across the Council. There will be a range of priorities originating from these plans which will look to deliver on aspirational long term objectives such as the decarbonisation agenda and affordable housing.
- 3.37. Alongside this, it is important to consider the requirement to maintain the Councils current asset base. As noted previously, this is something that has been severely impacted by constrained funding levels in previous years and has resulted in a maintenance backlog developing, which gives rise to the potential for major asset failures to occur where issues have developed over time. Although the risks associated are captured through ongoing condition surveys and monitoring, it is inevitable that as time progresses that more significant sums of investment will be required to maintain or substantially refurbish ageing assets.
- 3.38. There will inevitably be other priorities to be considered for inclusion within the capital programme over the medium to longer term, with the next phase of WG's Sustainable Communities for Learning Programme and further regeneration schemes that will require substantial match funding commitments. The consideration to support such priorities will need to be carefully balanced against other competing demands.

3.39. Capital Receipts

- 3.40. In circumstances where property is deemed surplus to requirements and can be sold, the Disposal Strategy within the Asset management strategy (AMS) 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 AMS.

Forecast Capital receipts

	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
Balance as at 1st April	12,446	8,785	7,004	6,700	5,835
Less: capital receipts used for financing	(2,778)	(1,815)	(460)	(460)	(460)

Less: capital receipts used to support capitalisation directive	(4,008)	(3,358)	(508)	(508)	(508)
Capital receipts Received	1,043	0	0	0	0
Capital receipts Forecast	2,092	3,393	663	103	103
Forecast Balance as at 31st March	8,785	7,004	6,700	5,835	4,970

- 3.41. The value of Capital receipts forecast after 2024/25 drops off quite considerably which is reflective of the replacement local development plan (RDLP) not proceeding as quickly as envisaged in the original delivery agreement. Whilst candidate sites have now been submitted, this will have an impact on the balance of receipts available to fund future capital investment demands in the near term.
- 3.42. Traditionally receipts have been earmarked to finance the Authorities future schools investment. Whilst the Council has further future schools aspirations, in recent years it was not proposed to advocate a similar approach to members in respect of tranche B. Schools based assets commonly have a useful life of 50 years+, and as such traditional long term loan funding can be sourced at competitive rates with limited annual revenue volatility. The Council derives greater revenue benefit by using capital receipts in affording replacement of short life assets, given the avoidance of proportionately more significant minimum revenue provision.

2024/25 Treasury Management Strategy

Overview

- 3.43. The treasury management strategy sets out the Council's longer term borrowing requirement and plans, which is driven mainly by the capital programme requirements and the resulting impact on the revenue budget.
- 3.44. It includes how it will manage and invest its surplus cash which also have various targets/limits set as part of prudential indicators, treasury management indicators and also includes additional guidance of the Welsh Government Investment Guidance and the Minimum Revenue Provision Policy.
- 3.45. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the TM Code) which outlines that capital expenditure plans should be:

Affordable: It is important that the Council's capital investment remains within sustainable limits. The Code requires Councils to consider the resources currently available to them and those estimated to be available in the future, together with the totality of the capital plans and income and expenditure forecasts. As well as capital expenditure plans, Councils should consider the cost of past borrowing, ongoing and future maintenance requirements, planned asset disposals and the MRP policy, which all impact upon affordability.

Prudent: All external borrowing and other long-term liabilities are within prudent levels. The full Council set an authorised limit and operational boundary for external debt, these need to be consistent with the Council's plans for affordable capital expenditure and financing, and with its treasury management policy statement and practices.

Sustainable: taking into account the arrangements for repayment of debt (including through MRP) and consideration of risk and the potential impact on the Council’s overall financial sustainability in the medium to longer term.

- 3.46. The Governance & Audit Committee in its role as the Council’s delegated body to review and scrutinise the authority's financial affairs must receive as a minimum a quarterly treasury update report including an annual report after its close on treasury management activities during the year.
- 3.47. Overall responsibility for treasury management remains with the full Council. In effect, that body delegates the execution and administration of treasury management decisions to the Section 151 officer or deputy who will act in accordance with the Treasury management strategy, treasury management practices and CIPFA’s Standard of Professional Practice on treasury management.
- 3.48. The detailed Treasury strategy for 2024/25 is included at **Appendix 3**. Key points of interest are summarised below.

Annual Minimum Revenue Provision (MRP) Policy Statement

- 3.49. The annual Minimum Revenue Provision is the mechanism used for spreading the capital expenditure financed by borrowing over the years to which benefit is provided. Regulations state that the authority must calculate for the current financial year an amount of minimum revenue provision which it considers to be prudent. In addition, there is the requirement for an Annual Minimum Revenue Provision Policy Statement to be drafted and submitted to full Council. This is shown in section 8 of the strategy. The policy also makes consideration of the Welsh Government MRP guidance.
- 3.50. The policy proposed for 2024/25 is consistent with the changes proposed within this report to revise the policy for 2023/24:

Type of Expenditure	Option Applied	MRP Calculation
Supported Borrowing funded Expenditure	Option 3	Calculated on an annuity basis over the expected useful life of an asset, whereby the MRP element increases over time to reflect a consistent charge over life of the assets taking into account the real value of money
Unsupported Borrowing funded Expenditure	Option 3	Calculated on an annuity basis over the expected useful life of an asset, whereby the MRP element increases over time to reflect a consistent charge over life of the assets taking into account the real value of money

Leases and PFI	N/A	MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability
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Borrowing Strategy

- 3.51. Given the significant cuts to public expenditure over recent years and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 3.52. By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years.
- 3.53. The Council has previously raised the majority of its long-term borrowing from the PWLB and expects to continue to do so during 2024/25. PWLB loans are no longer available to local Councils planning to buy investment assets primarily for yield and the Council intends to avoid this activity in order to retain its access to PWLB loans.
- 3.54. Short term borrowing has traditionally been sourced from the inter-Local authority market and this is expected to continue during 2024/25 as it provides a low administration cost option for borrowing at competitive rates of interest.

Investment Strategy

- 3.55. Both the CIPFA Code and the WG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income
- 3.56. The Authority continues to hold a minimum of £10m of investments to meet the requirements of a professional client under the Mifid II regulations (Markets in financial instruments directive) and therefore consideration will continue to be given to investing balances with a more medium to long term outlook, albeit within the confines and framework of the internal borrowing approach outlined above.
- 3.57. The existing portfolio of strategic pooled funds currently provides a degree of risk diversification into different sectors, however the Council will closely monitor the returns on these investments in light of a heightened interest rate environment.
- 3.58. The approved counterparty list and limits are shown in the Treasury strategy. The investment limits proposed complement the Authorities objective of striking an appropriate

balance between risk and return, whilst minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

- 3.59. It is important to note that the counterparty rating limits and investment maturities act as limits and not targets and are further informed by market information alongside bespoke periodic advice from our treasury advisers as to sustainability and financial robustness of specific counterparties.

Environmental, social and governance (ESG) policy

- 3.60. Environmental social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level.
- 3.61. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 3.62. An updated list of signatories to the three charters is provided by the Authority's treasury advisors each quarter and will continue to be monitored. Any counterparties not signed up to all three charters will be removed from the Authorities investment portfolio.
- 3.63. The Council will continue through 2024/25 to engage with its advisors Arlingclose to evaluate its existing investments and assess whether a more sophisticated ESG policy can be applied. Governance and Audit Committee will be kept informed of progress through the regular reporting of treasury performance into committee.

Treasury indicators and limits

- 3.64. The treasury indicators and limits as recommended under the Prudential Code are outlined within the Treasury strategy and set out the parameters that the treasury function will operate under for 2024/25.

4. REASONS

- 4.1. This report, and the Capital and Treasury Management strategies appended highlight the revenue implications from capital expenditure, and for the need for the capital plans of the authority to be affordable, prudent and sustainable. The Capital Strategy highlights the anticipated increase in borrowing required over the longer term and the revenue costs resulting from the current Capital programme.
- 4.2. Whilst the current Capital programme is considered affordable, and the necessary capital financing budgets included as part of the 2024/25 revenue budget, it is important that expenditure is kept within the financing limits within the programme. If further borrowing is required, this will need to be approved by full Council.

- 4.3. The Authority is required to produce a Treasury Management Strategy including annual investment and borrowing strategies in order to comply with the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code").
- 4.4. The Authority is required to produce an MRP policy statement in order to comply with the Local Authorities (Capital Finance and Accounting) (Wales) Regulations.

5. OPTIONS APPRAISAL

- 5.1. As contained within the appendices.

6. EVALUATION CRITERIA

- 6.1. Not applicable.

7. RESOURCE IMPLICATIONS

- 7.1. The medium term treasury budgets, contained within the 2024/25 revenue budget proposals were constructed in accordance with the strategy documents appended to this report. Consequently, there are no additional resource implications directly arising from this report.
- 7.2. The Council's indicative treasury budgets for the next 4 years are:

Treasury budgets	2024/25 Estimate £m's	2025/26 Estimate £m's	2026/27 Estimate £m's	2027/28 Estimate £m's
Net Interest payable	5.9	6.9	7.1	7.1
MRP	6.2	6.7	7.0	6.7
Total Financing costs	12.1	13.6	14.1	13.8

- 7.3. However, there are some key future financial risks on medium-term treasury budgets concerning:
- The indicative capital medium term financial plan for 2024/28 has been shared with members as part of the capital budget setting process. Should future additions to the programme be required that are funded from borrowing, then treasury costs, affordability considerations, and impacts on the capital financing requirement and external borrowing requirement would need to be updated.
 - The Authority continues to assess the capital receipts which can be generated from the disposal of property assets. Without these receipts being available to fund capital expenditure, further capital investment over and above the core programme will need to be funded by additional borrowing.
 - Interest rates are expected to reduce to lower levels in the medium term and the Treasury strategy allows for the use of short term borrowing once investment funds are exhausted to take advantage of a reducing rate environment. However, the current and

future UK and global economic environments remains extremely uncertain and will need to continue to be closely monitored.

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

- 8.1. The adoption of the revision to the MRP Policy for 2023/24 adjusts the profile of the same overall MRP charge towards the latter half of repayment schedule. This in effect equalises the MRP charge when taking into account the time value of money, and has the effect of ensuring that current and future generations will consume equal benefits from the Council's capital assets.
- 8.2. In addition, reducing provision in the shorter term means the Council is better placed to continue to keep services open now for the benefit of future generations rather than have to cut services now that may never get reinstated.

9. CONSULTEES:

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

10. BACKGROUND PAPERS:

Appendix 1 – Proposed revision to the MRP policy for 2023/24

Appendix 2 – 2024/25 Capital strategy

Appendix 3 – 2024/25 Treasury Management Strategy including the Minimum Revenue Provision policy statement and Investment & Borrowing Strategies

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Appendix 1 - Revision to the Minimum Revenue Provision Policy for 2023/24

1. Key messages

Under legislation Local Authorities are required to charge to their revenue account for each financial year a Minimum Revenue Provision (MRP) to account for the cost of their debt in that financial year.

For the current 2023/24 financial year, Council on 9th March 2023 approved a MRP Policy whereby the annual provision for supported borrowing is based on the principle of asset useful economic lives using the equal instalment method.

The Welsh Government's updated guidance on MRP allows Local Authorities to further examine the concept of prudent provision.

The proposed revision to the MRP Policy is based on a more prudent charge to revenue by applying the Asset Life Annuity Method rather than the existing Asset Life Equal Instalment Method.

The change will ensure that current and future generations will consume equal benefits from the Council's capital assets, and also ensures consistency of policy with unsupported borrowing.

A consequence of the proposed more prudent MRP is a significant budgetary saving over the medium term equating to around £1m for each of 2023/24 and 2024/25.

2. Introduction

- 2.1. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of this debt is known as Minimum Revenue Provision (MRP).
- 2.2. MRP is an annual charge to the revenue budget alongside the interest due on any debt outstanding.

3. Legislative framework and current policy

- 3.1. Under the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, as amended, Local Authorities are required to charge to their revenue account for each financial year a Minimum Revenue Provision (MRP) to account for the cost of their debt in that financial year resulting from borrowing to support capital expenditure.

- 3.2. For the financial year 2007/08 and subsequent financial years, under the Local Authorities (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008, as amended, the detailed calculation has been replaced with a requirement that local authorities calculate an amount of MRP which they consider to be prudent. The broad aim of prudent provision is to ensure that debt is repaid over a period reasonably commensurate with that over which the capital expenditure provides benefits.
- 3.3. The four options proposed for determination of a prudent provision are indicated as follows:

Option 1	For capital expenditure incurred before 1st April 2008, and for supported capital expenditure incurred on or after that date, MRP will be determined in accordance with the former regulations that applied on 31st March 2008.
Option 2	For General Fund capital expenditure incurred before 1st April 2008, and for supported capital expenditure incurred on or after that date, MRP will be determined as 4% of the capital financing requirement in respect of that expenditure.
Option 3	For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment, starting in the year after the asset becomes operational.
Option 4	For capital expenditure incurred after 31st March 2008, MRP will be determined as being equal to the accounting charge for depreciation and impairment on those assets (or parts of) continuing until the expenditure has been fully funded.

- 3.4. The 2008 Regulations recommend that prior to the commencement of each financial year a local authority prepares a statement of its policy on making MRP (Annual MRP Statement) and submits it to full Council.

4. Previous amendment of MRP policy

- 4.1. Council on 1st December 2016 amended the MRP Policy for supported borrowing from Option 2 (a 4% reducing balance) to Option 3 based on a 2% (50 year) equal instalment approach. This looked to ensure prudently that the liability is actually repaid over the indicative life of Council's asset portfolio, and that 2% equated more closely with the indicative asset life.
- 4.2. It was noted that this had the added advantage of being more prudent than the existing reducing balance method, in that it does ultimately pay off the liability in accordance with the likely economic usage of assets.
- 4.3. The revised approach better reflected the usage of assets, and moved away from an approach where future generations would be expected to contribute to

the repayment of historic Supported Borrowing liabilities long after the economic use of associated assets had expired.

- 4.4. The report noted that MRP policy would be periodically reviewed to ensure that that it remained prudent and appropriate to the Council's circumstances.

5. Proposed Revised Approach for Supported Borrowing

- 5.1. The Welsh Government updated its statutory guidance regarding MRP in 2018 providing advice on how local authorities may determine prudent charges for MRP. This guidance was issued by Welsh Ministers under section 21(1A) of the Local Government Act 2003 [Revised 2018] and is effective from 1st April 2019. The four options for prudent provision remain as indicated above but with two alternative options under Option 3 as follows:

Option 3(a) – Equal Instalment Method

Option 3(b) – Annuity Method

- 5.2. For supported borrowing the Council is currently adopting Option 3(a) whereby MRP is based on 2% per annum, equivalent to equal instalments over an assumed 50 year life.
- 5.3. Council on the 9th March 2023 approved the following MRP policy for the current financial year 2023/24:

MRP Type	Option Applied	Calculation Method
Supported Borrowing funded Expenditure	Option 3	Asset life at 2% per annum, equivalent to equal instalments over a 50 year life
Unsupported Borrowing funded Expenditure	Option 3	Annuity basis within the asset life method, whereby the MRP element increases over time to reflect a consistent charge over life of the assets taking into account the real value of money

- 5.4. Neither the guidance nor legislation defines what is prudent. It is therefore a decision for each council to manage this appropriately and to determine prudent repayment based on its own individual circumstance. This will involve taking account of medium/long term financial plans, current budgetary pressures, current and future capital expenditure plans, funding needs and any longer term transformational plans.
- 5.5. The current MRP policy when combined with the cost of interest on outstanding borrowing places a significant burden on the Council's revenue

budget, and these charges are biased towards the early years of the asset rather than being spread more evenly across the whole life of the asset.

- 5.6. There is also inconsistency in approach between supported and unsupported borrowing which is an additional administrative burden for the financial management of MRP.
- 5.7. The Council has undertaken a review to determine whether this remains the most appropriate method and whether adoption of 3(b) - the Annuity Method for supported borrowing would result in a more prudent provision than the current Equal Instalment Method.
- 5.8. In forming an opinion the Council has given regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) publication "*Practitioners' Guide to Capital Finance in Local Government*" which states the following:

"it is arguably the case that the annuity method provides a fairer charge than equal instalments as it takes account of the time value of money, whereby paying £100 in 10 years' time is less of a burden than paying £100 now. The schedule of charges produced by the annuity method thus results in a consistent charge over an asset's life, taking into account the real value of the amounts when they fall due. The annuity method would then be a prudent basis for providing for assets that provided steady flow of benefits over their useful life."
- 5.9. It is therefore considered that the equalisation of MRP under an annuity-based calculation will have the effect of ensuring that current and future generations will consume equal benefits from the Council's capital assets.
- 5.10. The proposals above demonstrate that the policy is consistent, affordable over the longer term and ensures a more equitable spread of debt repayment costs across all generations of taxpayer.
- 5.11. The change also ensures alignment of policy between supported and unsupported borrowing and removes a level of administrative burden and complexity for finance team in the management of MRP.
- 5.12. Audit Wales have been consulted and has no objection to the proposed revision to the MRP Policy.
- 5.13. The Council will continue to periodically review its MRP policy to ensure that it consistently follows the above principles in the future and remains appropriate the Council's circumstances.

5.14. Council are therefore asked to approve a change in MRP policy to the following methods:

Type of Expenditure	Option Applied	MRP Calculation
Supported Borrowing funded Expenditure	Option 3	Calculated on an annuity basis over the expected useful life of an asset. The MRP element increases over time to reflect a consistent charge over life of the assets taking into account the real value of money.
Unsupported Borrowing funded Expenditure	Option 3	Calculated on an annuity basis over the expected useful life of an asset. The MRP element increases over time to reflect a consistent charge over life of the assets taking into account the real value of money.

6. Financial Implications

- 6.1. The revised MRP calculation will be based on charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational.
- 6.2. A consequence of this more prudent provision is significant MRP savings over the medium term:

Financial Year	Estimated Current MRP £'000	Revised MRP £'000	Difference £'000
2023/24	1,812	805	-1,007
2024/25	1,861	861	-1,000
2025/26	1,861	891	-970
2026/27	1,861	922	-939
2027/28	1,861	954	-907

- 6.3. For completeness the detailed MRP calculations outlining the impact of the proposed revision to the MRP Policy over the full period of provision are shown in Schedule 1 below.
- 6.4. This demonstrates that the annual monetary savings continue to 31st March 2047 by applying the Annuity Method together with an increased annual cost thereafter albeit recognising the time value of money. Crucially, the overall

amount of provision remains the same, and ensures that full provision is made over time to match the debt needing to be repaid.

7. Future Generations Considerations

- 7.1. Whilst the adoption of the revision to the MRP Policy will have a favourable effect on the Council's revenue budget for 2023/24 and the Medium Term Financial Plan, it needs to be stressed that these cash flow adjustments should not be considered as savings. The change merely revises the profiles of the same overall charge towards the latter half of repayment schedule. The revised approach better reflects the usage of assets, and ensures that current and future generations will consume equal benefits from local authority capital assets.
- 7.2. In addition, reducing provision in the shorter term means the Council is better placed to continue to keep services open now for the benefit of future generations rather than have to cut services now that may never get reinstated.

Schedule 1

Financial Year	Current method	Revised method	Difference
2023/24	1,812,449	805,205	-1,007,244
2024/25	1,861,069	861,449	-999,620
2025/26	1,861,069	891,198	-969,871
2026/27	1,861,069	922,001	-939,068
2027/28	1,861,069	953,896	-907,173
2028/29	1,861,069	986,922	-874,146
2029/30	1,861,069	1,021,120	-839,948
2030/31	1,861,069	1,056,533	-804,536
2031/32	1,861,069	1,093,204	-767,865
2032/33	1,861,069	1,131,178	-729,891
2033/34	1,861,069	1,170,503	-690,566
2034/35	1,861,069	1,211,228	-649,841
2035/36	1,861,069	1,253,403	-607,666
2036/37	1,861,069	1,297,080	-563,988
2037/38	1,861,069	1,342,315	-518,753
2038/39	1,861,069	1,389,164	-471,905
2039/40	1,861,069	1,437,684	-423,385
2040/41	1,861,069	1,487,937	-373,132
2041/42	1,861,069	1,539,985	-321,084
2042/43	1,861,069	1,593,894	-267,175
2043/44	1,861,069	1,649,731	-211,338
2044/45	1,861,069	1,707,566	-153,503

2045/46	1,861,069	1,767,471	-93,598
2046/47	1,861,069	1,829,522	-31,547
2047/48	1,861,069	1,893,797	32,728
2048/49	1,861,069	1,960,376	99,308
2049/50	1,861,069	2,029,344	168,275
2050/51	1,861,069	2,100,787	239,718
2051/52	1,861,069	2,174,795	313,726
2052/53	1,861,069	2,251,462	390,393
2053/54	1,861,069	2,330,884	469,815
2054/55	1,861,069	2,413,162	552,093
2055/56	1,861,069	2,498,400	637,331
2056/57	1,861,069	2,586,705	725,637
2057/58	1,861,069	2,678,190	817,121
2058/59	1,861,069	2,772,971	911,902
2059/60	1,861,069	2,871,166	1,010,098
2060/61	1,861,069	2,972,903	1,111,834
2061/62	1,861,069	3,078,308	1,217,239
2062/63	1,861,069	3,187,517	1,326,448
2063/64	1,861,069	3,300,668	1,439,600
2064/65	1,861,069	3,417,906	1,556,837
2065/66	1,861,069	3,539,379	1,678,310
2066/67	1,861,069	603,996	-1,257,073
2067/68	338,500	527,160	188,660
2068/69	290,460	456,195	165,735
2069/70	242,260	382,701	140,441
2070/71	194,200	307,161	112,961
2071/72	145,860	229,684	83,824
2072/73	97,240	152,634	55,394
2073/74	48,620	77,104	28,484
Total	83,195,544	83,195,544	0

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Capital Strategy & Treasury Management Strategy 2024/25

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Capital Strategy

- 1.1. The requirement for Local Councils to produce an annual Capital Strategy is outlined in the most recent update of the CIPFA Prudential Code, published in 2021.
- 1.2. In order to demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, Councils should have in place a capital strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 1.3. As local Councils become increasingly complex and diverse it is vital that those charged with governance understand the long-term context in which investment decisions are made and the financial risks to which the Council is exposed.
- 1.4. With local Councils having increasingly wide powers around commercialisation, more being subject to group arrangements and the increase in combined Council arrangements it is no longer sufficient to consider only the individual local Council; the residual risks and liabilities to which it is subject should also be considered.
- 1.5. The Capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. The development of a capital strategy allows flexibility to engage with full council to ensure that the overall strategy, governance procedures and risk appetite are fully understood by all elected members.
- 1.6. Decisions made now on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

Treasury Strategy

- 1.7. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council borrows and invests substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risks are therefore central to the Council's prudent financial management.
- 1.8. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the

Public Services: Code of Practice (the TM Code) which requires the Council to approve a treasury management strategy before the start of each financial year. In addition, the Welsh Government (WG) issued revised Guidance on Local Council Investments that requires the Council to approve an investment strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.

1.9. The TM Code identifies three key Treasury management principles:

1.10. **KEY PRINCIPLE 1**

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

KEY PRINCIPLE 2

Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and portfolio liquidity when investing treasury management funds.

KEY PRINCIPLE 3

They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

The TM Code is clear that throughout public services, the priority for treasury management is to protect capital rather than to maximise return. The avoidance of all risk is neither appropriate nor possible. However, a balance must be struck with a keen responsibility for public money.

1.11. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2024/25 Capital Strategy

1. Introduction

- 1.1. This Capital Strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and a summary of the implications for future financial sustainability.
- 1.2. Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this also includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
- 1.3. Current Welsh Government legislation on the flexible use of capital receipts permits them to be used to fund revenue expenditure that will generate ongoing savings or reduce revenue costs or pressures over the longer term to an Council, or several Councils, and/or to another public body.
- 1.4. In the current economic climate of financial constraints and a continued Medium Term Financial Projection (MTFP) revenue budget gap, expenditure on capital needs to remain within affordable limits. Demand for capital resources remains high and therefore inevitably, prioritisation of projects, leveraging in other sources of funding and working with partners remain key to meeting this demand.
- 1.5. The strategy highlights the key risks and considerations:
 - The Council's medium term capital programme contains a substantial amount of borrowing, in particular until the end of 2024/25 as part of the financing package of the new King Henry school in Abergavenny. Whilst this is affordable and included in the medium term revenue budget considerations, it would be unsustainable to continue at a such a heightened borrowing level thereafter, especially given the current economic climate and ongoing pressures upon the Council's revenue budget.
 - Within the context of significant demands for capital resources and limited availability, there is the need to develop and link our use of the various strategic plans across the organisation which drive the need for capital investment and develop alternative strategies to meet demand so the Councils own capital programme is prioritised within an affordable framework. This will include clearer visibility and assessment of demand for maintenance of assets such as property, highways and other operational assets, as well as focussing on asset rationalisation.

- Useable capital receipts have been used successfully to provide a limited one-off resource to support financing of the capital programme. In recent years the Council has made use of Welsh Government's guidance allowing flexible use of capital receipts to meet one-off revenue costs associated with service reform. The Council has called upon this flexibility since 2019/20 and plans to do similarly over the medium term.
- With useable capital receipts forecast to reduce to £2.8m by the end of 2027/28, the continued use of capital receipts for this purpose is recognised as necessary but will constrain the amount of receipts available for future capital investment.
- Approval of capital expenditure funded through borrowing locks the Council into committing revenue funding over a very long period (as long as 60 years). With Minimum Revenue Provision (MRP) budgets increasing over the medium-term, the Council needs to ensure its capital plans remain affordable and sustainable.
- The prudential indicators, including borrowing limits, are in line with the final budget proposals presented to Cabinet and Council in February 2024.

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

1.7. The strategy sets out:

- The key objectives outlined in the Prudential Code and the governance arrangements for the Capital Strategy and programme (Section 2)
- The medium term capital programme, its financing, and the revenue implications arising from capital investment (Sections 3 to 5)
- Long term projections for the capital financing costs of the Council and where future demands arise from the various strategic plans across the Council for further capital investment. (Section 6)
- Capital disposals & receipts (Section 7)
- Links between the Capital Strategy and Treasury Management strategy, and treasury decision making. (Sections 8 to 10)
- Consideration of investment for service purposes and commercial activity of the Council and the strategy going forward. (Section 11 and 12)
- Summary of the skills and knowledge the Council holds in order for it to carry out its capital investment and treasury functions. (Section 13)

2. The Prudential Code

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

- **AFFORDABLE** - It is important that the Council's capital investment remains within sustainable limits. The Code requires Councils to consider the resources currently available to them and those estimated to be available in the future, together with the totality of the

capital plans and income and expenditure forecasts. As well as capital expenditure plans, Councils should consider the cost of past borrowing, ongoing and future maintenance requirements, planned asset disposals and the MRP policy, which all impact upon affordability.

- **PRUDENT** – All external borrowing and other long-term liabilities are within prudent levels. The full Council set an authorised limit and operational boundary for external debt, these need to be consistent with the Council's plans for affordable capital expenditure and financing, and with its treasury management policy statement and practices.
- **SUSTAINABLE** – taking into account the arrangements for repayment of debt (including through MRP) and consideration of risk and the potential impact on the Council's overall financial sustainability in the medium to longer term.

- 2.2. The risks associated with investments for commercial purposes should be proportionate to the Council's financial capacity and standing.
- 2.3. Treasury management decisions should be taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.
- 2.4. The Prudential Code requires Councils to look at capital expenditure plans, investments and debt in the light of overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long-term financing implications and potential risks to the Council.
- 2.5. In order to demonstrate that local Councils have fulfilled these objectives, the Prudential Code sets out the prudential indicators that must be used, and the factors that must be taken into account. These indicators are presented alongside the final budget presented to Council.
- 2.6. **Governance & reporting**
- 2.7. The responsibility for decision making in respect of capital investment, investment and borrowing, and prudential indicators lies with full Council.
- 2.8. Council will approve the Capital strategy and the annual Treasury management strategy (including the investment strategy and MRP policy statement).
- 2.9. Council delegates responsibility for the detailed implementation, monitoring and scrutiny of capital investment consequences, including treasury management policy, strategy and practices to the Governance & Audit Committee.
- 2.10. The execution and administration of treasury management decisions is delegated the Section 151 officer or deputy, who will act in accordance with the policy and strategy and follow CIPFA's Standard of Professional Practice on Treasury Management.

- 2.11. The Council recognises the value in the use of treasury advisors to support the management of risk and to access specialist skills and resources. Support provided by its current advisors Arlingclose Limited includes advice on timing of decision making, training, credit updates, economic forecasts, research, articles and advice on capital finance.
- 2.12. **Revised strategy:** Full Council would be asked to approve a revised Treasury Management Strategy should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, a significant change in the Council's capital programme or in the level of its investment balance, or a material loss in the fair value of a non-financial investment identified as part of the year end accounts preparation and audit process.

3. Setting capital budgets

- 3.1. Over the next four years the Council is planning capital expenditure of £73.4m as summarised below:

Table 1: (Prudential indicator) - Capital Medium Term Financial Plan

Scheme Type	Indicative Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28
Asset Management Schemes	2,630,049	2,230,049	2,230,049	2,230,049
School Development Schemes	19,456,606	4,151,797	0	0
Infrastructure & Transport Schemes	6,144,740	4,204,740	4,204,740	4,204,740
Regeneration Schemes	150,000	730,200	730,200	730,200
Inclusion Schemes	1,150,000	1,200,000	1,200,000	1,200,000
ICT Schemes	303,000	413,000	413,000	413,000
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Capitalisation Directive	3,357,500	507,500	507,500	507,500
Other Schemes	550,000	570,000	570,000	570,000
Total Expenditure	35,241,896	15,507,287	11,355,490	11,355,490

- 3.2. Member responsibility for assets rests with the Cabinet member for Resources. The main governance and approval process for capital investment is summarised as follows:
- Council approve the overall revenue and capital budgets following recommendations from Cabinet. They also approve the borrowing limits of which the capital programme will need to remain within (**the Authorised limit**). This limit is a key performance indicator for treasury management and ensures that capital expenditure is limited and borrowing remains within an affordable limit.
 - Any variation of the Authorised borrowing limit can only be approved by Council.

- Council approve the Treasury Management, Investment & Borrowing strategies, which are intrinsically linked to capital expenditure and the capital strategy.
- Service managers put forward proposals for any change or additional capital investment annually which are collated and scrutinised by senior finance teams, who consider the financing cost of the proposals. These are initially screened against the approved priority investment matrix, and a recommendation made to the strategic leadership team (SLT).
- SLT further consider the recommendations against the approved priority matrix and wider Council plans and strategies in place. Following review, SLT will make recommendation to Cabinet for inclusion in the capital budget and to be considered further by Cabinet and Council at final budget setting stage.
- Monitoring of capital expenditure is reported to Cabinet and includes updates on capital receipts and any consequential impact on the revenue budget of the scheme progress made.
- The 2024/25 and forward capital budgets include investment in schemes which attract significant match funding from external bodies which services will be responsible for bidding for. The agreed priority investment matrix listed below plays a key role in ensuring investment is properly aligned with the overall Community and Corporate Plan and wider strategic principles of the Council.

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

- 3.3. The current capital MTFP does not cover all the capital budget pressures that have been identified. This shows that there is more demand for capital spending than the Council considers it can reasonably afford. This means that capital schemes will have to be ranked or the capital available has to be divided more widely than is ideal.
- 3.4. All stakeholders must understand that paying for capital spending by borrowing only pushes the cost to revenue budgets over future years, but at the same time if capital maintenance works are put off then the total lifetime costs of keeping an asset are likely to go up. This effect is often hidden in medium term financial planning as asset lives are much longer than four years.
- 3.5. The capital programme includes yearly investment for property maintenance, highways maintenance, relevant specific capital grants and the future schools programme. This will help to deal with the most urgent backlog issues, focussing on worst condition first and related risk. However, estate rationalisation programs, closure/disposal of assets, asset transfers and other capital projects to refurbish or replace operational properties will also be used to reduce the backlog funding needed. This will not solve the specific total backlog but is a way of targeting the main issues in a reasonable way.
- 3.6. There might be other calls for capital funding for schemes that are not yet included in the overall programme. Any new schemes that come forward during the year will either need to be paid for by specific funding sources or represent a call upon any available programme under spends. It is important that capital spending stays at a reasonable level within the framework agreed and, therefore, ranking of capital spending is essential and needs to be affordable and sustainable in the long-term.
- 3.7. Frequent reviews of previously approved schemes that have been delayed will be carried out to ensure that they are still affordable within set budgets. This is especially important in the current economic situation of high inflation and supply chain disruption.

4. Capital financing requirement

- 4.1. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: (Prudential indicator) - Capital financing

Financing source	Final Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28
Debt	14,489,533	8,221,113	7,782,990	7,782,990
External sources	16,351,863	6,215,674	2,502,000	2,502,000

Capital Receipts	4,147,500	967,500	967,500	967,500
Reserves	253,000	103,000	103,000	103,000
Total Funding	35,241,896	15,507,287	11,355,490	11,355,490

- 4.2. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (capital receipts) may be used to replace debt finance.
- 4.3. The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace the debt.
- 4.4. The table below provides the medium-term outlook for the Council's CFR, inclusive of the impact of PFI arrangements. This is based on the indicative medium term capital programme and, therefore, does not reflect any potential additional borrowing beyond that already approved.

Table 3: CFR and related MRP charges in £m

	2023/24 Forecast £m's	2024/25 Estimate £m's	2025/26 Estimate £m's	2026/27 Estimate £m's	2027/28 Estimate £m's
Capital Financing Requirement	213.0	227.0	226.4	225.1	224.1
Minimum Revenue Provision	6.0	6.2	6.7	6.9	6.7

- 4.5. The increase in capital expenditure, including that funded via other sources, will be a considerable operational challenge to achieve, as evidenced by the significant levels of slippage incurred over recent financial years. Therefore, it is important to recognise the possibility that the actual CFR may be lower than estimated by the end of the 2024/25 financial year, and in turn reducing the actual need to undertake external borrowing.
- 4.6. It is important that capital expenditure plans are realistic, as otherwise this can result in unnecessarily committing revenue resources towards capital financing budgets, which in turn restricts alternative investment in achieving service delivery aspirations.

Note: With the introduction of the accounting requirements of IFRS 16 (Leases), the CFR and debt identified as relating to leases is likely to increase, due to the change in the way that finance leases for lessees are treated. CIPFA/LASAAC took the decision to initially defer the implementation of IFRS 16 Leases until the 2022/23 financial year in light of the COVID-19 pandemic and the resultant pressures on Council's. However, there has been a subsequent further deferral meaning that the introduction of the accounting standard is now likely to impact the 2024/25 financial year. Work is continuing to be undertaken to gather the relevant information necessary to gauge the impact upon the Council.

5. Revenue budget implications

- 5.1. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. These net annual charges are known as financing costs. The table below compares these financing costs to the net revenue stream i.e. the amount of income from Council Tax (MCC element), business rates and general government grants.

Table 4: (Prudential indicator) - Proportion of financing costs to net revenue stream

Proportion of financing Costs to net revenue stream	2023/24 Estimate £m's	2024/25 Estimate £m's	2025/26 Estimate £m's	2026/27 Estimate £m's	2027/28 Estimate £m's
Net Interest payable	6.6	5.9	6.9	7.1	7.1
MRP	6.0	6.2	6.7	7.0	6.7
Total Financing costs	12.6	12.1	13.6	14.1	13.8
Net Revenue Stream	189.6	198.5	203.2	208.1	213.2
Proportion of net revenue stream %	6.65%	6.09%	6.72%	6.74%	6.48%

- 5.2. The overall proportion of financing costs remains fairly stable over the MTFP window which is reflective of the total revenue stream increasing in line with expected inflationary impacts whilst the financing costs increase moderately in line further capital investment made.
- 5.3. **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years afterwards. The Section 151 officer is satisfied that the proposed capital programme is prudent, affordable and sustainable because the financing costs have been spread over no more than, the lower of 50 years and the expected life of the resultant asset, so the assets will be paid for by the Council tax payers benefitting from them over the life of the assets. The financing costs for assets funded by debt are included in each annual revenue budget which is balanced before approval by Council.

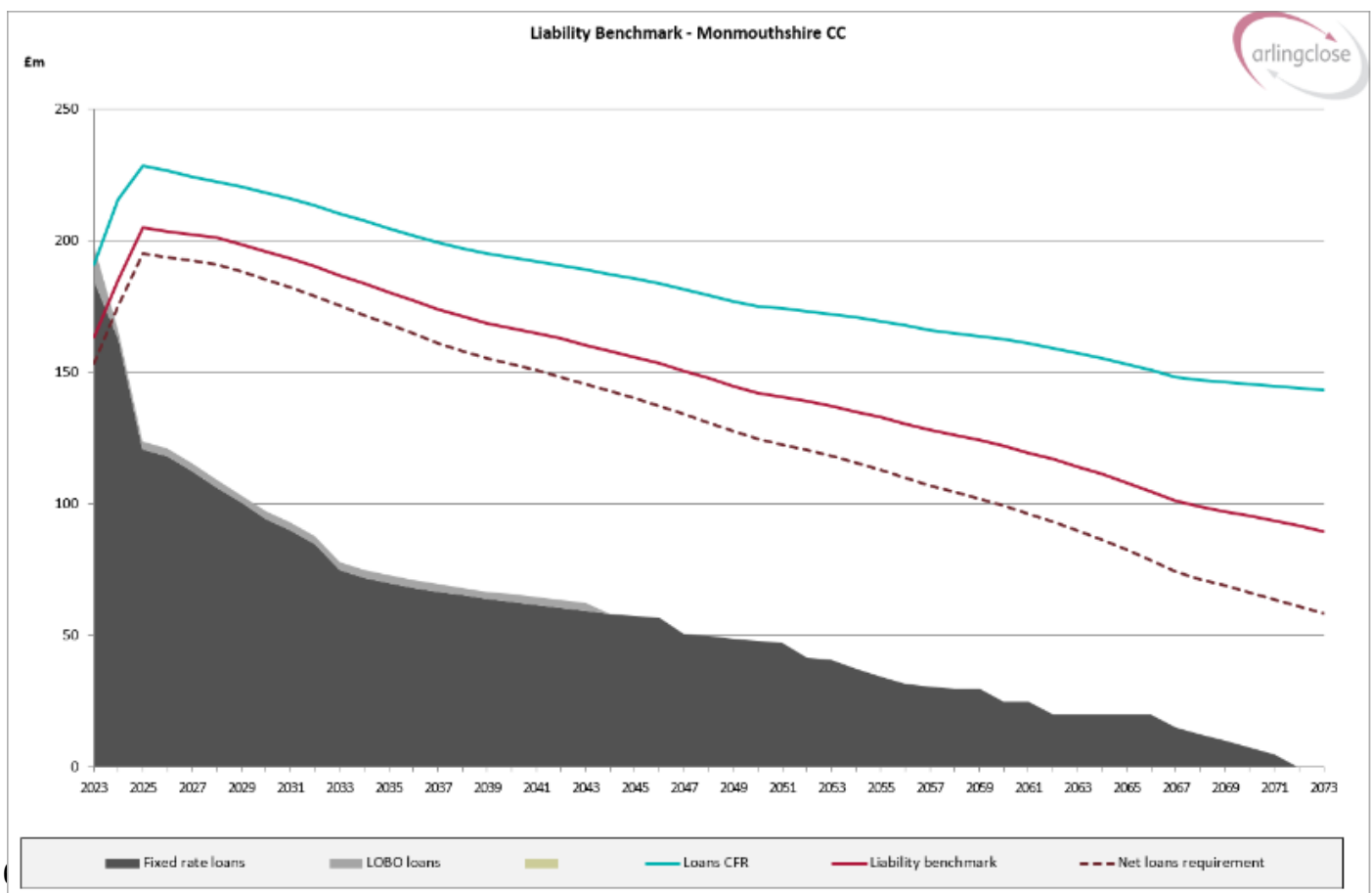
6. Long term capital financing projections

- 6.1. Capital investment is often for assets which have a long-term life i.e. buildings and road infrastructure may have an asset life in excess of 50 years. The financing of these assets could also be over a long-term period. Therefore, it is important to take a long-term view of capital expenditure plans and the impact that may have on the affordability and sustainability of capital expenditure. Once capital expenditure has been financed from borrowing the Council is committed to the revenue implications arising from that decision (i.e. the annual cost of MRP) for a long-term period.

6.2. Due to the financial constraints that the Council continues to operate under, it is anticipated that the ability to finance capital expenditure from borrowing will remain incredibly restricted over the long-term. This means that the Council will face a significant challenge in being able to finance its medium to longer term capital aspirations in terms of maintenance backlogs, as well as the need to invest in new and existing assets.

6.3. The Liability benchmark shown below demonstrates the following, in terms of the impact of the current capital programme and projected capital investment financed from borrowing over the next 50 years:

- The impact the current capital programme has in terms of the increasing the CFR (blue line) in the short term and the consequent need for external borrowing, denoted by the steepness of the solid and dashed red curves over the initial years;
- A longer-term gradual reduction in the overall level of CFR, as shown by the trajectory of the solid blue line which is a result of indicative annual borrowing being below the level of annual MRP;
- A longer-term reduction in the need to undertake actual external borrowing, as shown by the trajectory of the dashed red line;
- A requirement for further external borrowing in the medium to long-term, despite lower capital expenditure levels, resulting from the need to refinance maturing loans.



position will be impacted by a number of factors that will ultimately determine the level of borrowing and associated capital financing costs. These factors include assumptions

included on the level and deliverability of capital investment; the level of external financing for the programme; internal Council resources; and future MRP policy and treasury strategy.

Ongoing Capital Programme Development

- 6.5. In light of continuing funding constraints, it is important that the Council understands the key risks and future aspirations for capital investment. These are captured through various plans and strategies across the Council. There will be a range of priorities originating from these plans which will look to deliver on aspirational long term objectives such as the decarbonisation agenda and affordable housing.
- 6.6. Alongside this, it is important to consider the requirement to maintain the Councils current asset base. As noted previously, this is something that has been severely impacted by constrained funding levels in previous years and has resulted in a maintenance backlog developing, which gives rise to the potential for major asset failures to occur where issues have developed over time. Although the risks associated are captured through ongoing condition surveys and monitoring, it is inevitable that as time progresses that more significant sums of investment will be required to maintain or substantially refurbish ageing assets.
- 6.7. The level of annual investment included in the capital programme for maintenance and refurbishment of assets assists in addressing the highest priority backlog issues, focussing on worst condition first and associated risk. However, estate rationalisation programmes, closure/disposal of assets, asset transfers and other capital projects to refurbish or replace operational properties will also be utilised to offset the backlog funding required. This will not address the specific total backlog but is a way of targeting the main issues in an affordable manner.
- 6.8. There will inevitably be other priorities to be considered for inclusion within the capital programme over the medium to longer term, with the next phase of WG's Sustainable Communities for Learning Programme and further regeneration schemes that will require substantial match funding commitments. The consideration to support such priorities will need to be carefully balanced against other competing demands.

7. Capital disposals & receipts

- 7.1. The Council's [Asset Management Strategy](#) (AMS) 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.
- 7.2. 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.

- 7.3. 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.
- 7.4. In circumstances where property is deemed surplus to requirements and can be sold, the Disposal Strategy within the AMS 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 AMS.
- 7.5. The AMS 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.
- 7.6. When capital receipts are generated these can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts “flexibly” on service transformation projects under the Welsh Government flexible use of capital receipts policy. Repayments of capital grants, loans and investments also generate capital receipts.
- 7.7. The Council anticipates the following capital receipts in the forthcoming financial years:

Table 5: Forecast Capital receipts

	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
Balance as at 1st April	12,446	8,785	7,004	6,700	5,835
Less: capital receipts used for financing	(2,778)	(1,815)	(460)	(460)	(460)
Less: capital receipts used to support capitalisation directive	(3,008)	(3,358)	(508)	(508)	(508)
Capital receipts for Redundancies	(1,000)	0	0	0	0
Capital receipts Received	1,043	0	0	0	0

Capital receipts Forecast	2,092	3,393	663	103	103
Forecast Balance as at 31st March	8,785	7,004	6,700	5,835	4,970

- 7.8. Further specific details of planned asset disposals are included in the annual Capital budget papers deliberated by Members, with specific sales proposals being an exempt appendix from public reporting requirements due to potential to compromise of receipt maximisation.
- 7.9. The value of Capital receipts forecast after 2024/25 drops off quite considerably which is reflective of the replacement local development plan (RDLP) not proceeding as quickly as envisaged in the original delivery agreement. Whilst candidate sites have now been submitted, this will have an impact on the balance of receipts available to fund future capital investment demands in the near term.
- 7.10. Traditionally receipts have been earmarked to finance the Councils future schools investment. Whilst the Council has further future schools aspirations, it is not proposed to advocate a similar approach to members in respect of futures tranches of investment. Schools based assets commonly have a useful life of 50 years+, and as such traditional long term loan funding can be sourced at competitive rates with limited annual revenue volatility. The Council derives greater revenue benefit by using capital receipts in affording replacement of short life assets, given the avoidance of proportionately more significant minimum revenue provision.

8. Treasury management

- 8.1. The Treasury management strategy (TMS) is considered alongside the Capital strategy at Council and the figures within it the link directly to the impact of the debt resulting from the Capital strategy and the subsequent capital investment.
- 8.2. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 8.3. Based on historic capital expenditure and due to decisions taken in the past, as at 31st December 2023, the Council has £173.5m borrowing at a weighted average interest rate of 3.47% and £13.6m treasury investments at a weighted average rate of 4.76%.

9. Borrowing strategy

- 9.1. Whilst the Council has significant long term borrowing requirements, the Council's current strategy of funding capital expenditure is through utilising internal resources such as

reserves (called 'internal borrowing') rather than undertaking new borrowing i.e. we defer taking out new long term borrowing and fund capital expenditure from day to day positive cash-flows for as long as we can.

- 9.2. By using this strategy, the Council can also minimise cash holding at a time when counterparty risk remains high. The interest rates achievable on the Council's investments are also significantly lower than the current rates payable on long term borrowing and this remains a primary driver for our current 'internally borrowed' strategy.
- 9.3. Whilst this strategy minimises investment counterparty risk, the risk of interest rate exposure is increased as the current longer term borrowing rates may rise in the future. The market position is being constantly monitored in order to minimise this risk.
- 9.4. The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 9.5. Projected levels of the Council's total debt (which comprises borrowing, PFI liabilities and finance leases) are shown below, compared with the capital financing requirement.

Table 6: (Prudential indicator) - Gross Debt and the Capital Financing Requirement

Gross Debt Forecast compared to CFR	2023/24 Estimate £m's	2024/25 Estimate £m's	2025/26 Estimate £m's	2026/27 Estimate £m's	2027/28 Estimate £m's
Debt (Inc. PFI, leases, right of use assets)	198.7	197.8	199.0	199.5	201.1
Capital Financing Requirement (Total)	213.0	227.0	226.4	225.1	224.1
(Under) / Over borrowed	(14.2)	(29.2)	(27.5)	(25.6)	(23.0)

- 9.6. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen in the table above, the Council expects to comply with this in the medium term.
- 9.7. **Authorised limit:** The Council is legally obliged to approve an affordable borrowing limit (also termed the 'authorised limit' for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 7: (Prudential indicator) - Authorised limit and operational boundary for external debt in £m

Operational boundary and Authorised limit	2024/25 Estimate £m's	2025/26 Estimate £m's	2026/27 Estimate £m's	2027/28 Estimate £m's

Operational Boundary - borrowing	252.6	253.5	253.8	254.2
PFI, leases & right of use assets/Headroom	2.8	2.8	2.8	2.8
Operational Boundary - total external debt	255.4	256.3	256.6	257.0
Authorised Limit - borrowing	268.0	268.9	269.2	269.6
PFI, leases & right of use assets/Headroom	3.8	3.8	3.8	3.8
Authorised Limit - total external debt	271.8	272.7	272.9	273.4

10. Investment strategy

- 10.1. Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 10.2. The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local Councils or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 8: Treasury management investments in £m

	31/3/2024 forecast £m's	31/3/2025 forecast £m's	31/3/2026 forecast £m's	31/3/2027 forecast £m's	31/3/2028 forecast £m's
Near-term investments	6.0	6.0	6.0	6.0	6.0
Longer-term investments	4.0	4.0	4.0	4.0	4.0
Total	14.6	36.0	10.0	10.0	10.0

Governance

- 10.3. Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the S151 Officer or Deputy and their staff, who must act in line with the treasury management strategy approved by full Council. The draft 2024/25 strategy is considered alongside this paper with a final version to be put forward for approval by full Council in February 2024. In addition quarterly treasury reports on activity are presented to Governance and Audit Committee who are responsible for scrutinising treasury management decisions.

11. Investments for Service Purposes

- 11.1. The Council has historically incurred the majority of its capital expenditure on the assets required to provide its services such as schools, highways and corporate facilities.
- 11.2. However it may also invest in other entities for the wider economic and societal benefits of its communities or businesses. This may include making loans or taking an equity interest in local bodies or the Council's subsidiaries and joint ventures which in turn contribute to services to Monmouthshire residents. It may also include providing guarantees to other bodies.
- 11.3. In light of the public service objective, the Council traditionally is willing to take more risk on these investments than it would with more traditional treasury investments, which are more highly regulated, however any such arrangement should only be entered into if such investments are assessed to break even after all costs are taken into account or if the benefits of the scheme are considered to be worth the net cost.
- 11.4. Decisions on service related investments (e.g. vibrant homes loans afforded through WG repayable grant or economic development loans) can be made by the relevant service manager provided a 100% loss can be covered by the managers existing budgets. Should additional budget/funding be required in the event of a default, then before making the service expense/investment, the Section 151 officer is required to be consulted and where member approval is felt necessary that the details and risks involved presented to Cabinet for approval.
- 11.5. The criteria and limits laid down in the strategy for treasury Investments can be used as a comparator to measure risks against. Most loans and shares are capital expenditure and such decision requires approval of full Council to be added to the capital programme.
- 11.6. A list of investments for service purposes including loans and guarantees will be maintained by the Treasury team and they will be assessed at least annually and reported as part of the annual accounts and include Foster carer loans and Low cost home ownership equity interest.

12. Commercial Activities

- 12.1. 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.
- 12.2. Total commercial investments held by the Council are currently valued at £32.4m:

Table 9: Value of Commercial investments

Asset	Value @ 01/04/2022	Movement	Value @ 31/03/2023
Castlegate Business Park	5,735,413	423,582	6,158,995
Castlegate Business Park - Service Charge	342,368	-81,585	260,510
Newport Leisure Park	18,909,000	847,000	19,756,000
Oak Grove Solar Farm	5,388,537	96,281	5,484,818
Broadway Loan	974,074	-181,781	792,293
Total	31,349,392	1,103,224	32,452,616

12.3. The ratio of commercial income compared to the Council's net revenue budget is considered prudent and proportionate and is not considered to expose the Council to undue risk if any one income stream was compromised. To assist in managing this risk the Council holds reserves for its commercial investments that look to further mitigate the factors that may impact upon future income generation.

Table 10: Net income from commercial and service investments to net revenue stream

	2023/24 budget £m's	2024/25 budget £m's	2025/26 budget £m's	2026/27 budget £m's	2027/28 budget £m's
Total gross income from commercial investments	3.0	3.2	3.3	3.5	3.6
Net revenue stream	189.6	198.5	203.2	208.1	213.2
Proportion of net revenue stream	1.58%	1.59%	1.63%	1.69%	1.71%

Governance

- 12.4. 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.
- 12.5. The Investment Committee established in 2018 managed the investment portfolio and had delegated authority to acquire or invest over a three-year period against a £50,000,000 fund established through approved prudential borrowing.
- 12.6. 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.

- 12.7. 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.
- 12.8. 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.
- 12.9. 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.
- 12.10. 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.
- 12.11. The Investment Committee, as an existing sub-committee of Council, has been 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.
- 12.12. 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.
- 12.13. 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.

13. Knowledge & skills

Internal expertise

- 13.1. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Section 151 officer, deputy Section 151 officer, and Head of Commercial and Integrated Landlord Services are professionally qualified with extensive Local Government experience between them.
- 13.2. The central accountancy team who manage day-to-day cashflow activities and monitor capital investment activity consists of experienced qualified and part-qualified accountants who maintain Continuous Professional Development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and obtain relevant skills.

External expertise

- 13.3. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisors, and Alder King as property investment advisors. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Members

- 13.4. Training is offered to members to ensure they have up to date skills to make capital and treasury decisions. The most recent training was provided in November 2022, with a number of new members attending for the first time. A register is also kept on member attendance.

2024/25 Treasury Management Strategy

1. Economic background and forecasts for interest rates

- 1.1. **Economic background:** The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25.
- 1.2. The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.
- 1.3. The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with upside risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.
- 1.4. Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.
- 1.5. ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.
- 1.6. The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong, but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.

- 1.7. Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve appears now to have concluded the hiking cycle. It is likely this level represents the peak in US rates following a more dovish meeting outcome in December 2023. US GDP grew at an annualised rate of 4.9% between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But the impact from higher rates has started to feed into economic activity and growth will weaken in 2024. Annual CPI inflation was 3.1% in November.
- 1.8. Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.4% in November 2023. Economic growth has been weak and GDP contracted by 0.1% in the three months to September 2023. In line with other central banks, the European Central Bank has increased rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.
- 1.9. **Credit outlook:** Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.
- 1.10. On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.
- 1.11. Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.
- 1.12. Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.
- 1.13. There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.
- 1.14. However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.
- 1.15. **Interest rate forecast (December 2023):** Although UK inflation and wage growth remain elevated, the Authority's treasury management adviser Arlingclose forecasts that Bank Rate

has peaked at 5.25%. The Bank of England’s Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.

- 1.16. Arlingclose expects long-term gilt yields to be broadly stable at current levels (amid continued volatility), following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

2. Local Context

- 2.1. On 31st December 2023, the Council held £173.5m of borrowing and £13.6m of treasury investments as demonstrated below:

Table 11: Current debt and investment levels

	31st Dec 2022 Actual Portfolio £m's	Average Rate %	31st Dec 2023 Actual Portfolio £m's	Average Rate %
External borrowing:				
Public Works Loan Board	116.7	3.2%	122.2	3.3%
LOBO loans from banks	13.6	4.8%	3.0	4.5%
Welsh Government Loans	5.7	0.0%	5.3	0.0%
Council to Council & other ST loans	52.0	1.8%	43.0	4.4%
Total external borrowing	188.1	2.9%	173.5	3.5%
Treasury investments:				
Banks & building societies (unsecured)	2.0	0.0%	1.5	1.5%
Government (incl. local Councils)	18.0	3.0%	3.0	4.84%
Money Market Funds	14.3	3.3%	5.1	4.88%
Strategic pooled funds	4.0	4.2%	4.0	5.77%
Total treasury investments	38.3	3.0%	13.6	4.76%
Net debt	149.8		159.9	

- 2.2. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Council’s current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 2.3. The Council has an increasing CFR due to the indicative capital programme, but minimal investments and will therefore be required to borrow additional sums over the longer term.

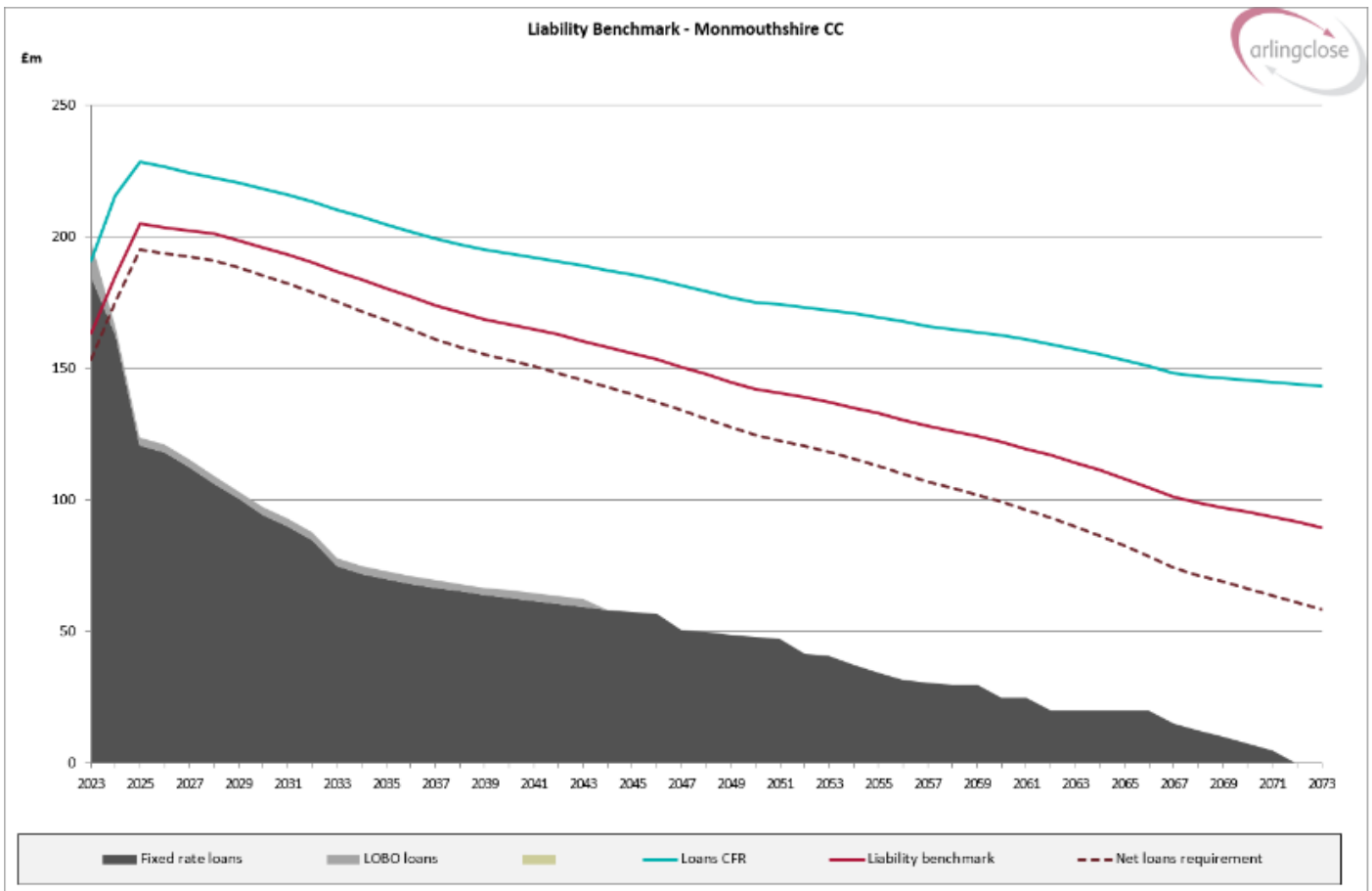
- 2.4. **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 2.5. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 12: (Prudential indicator) - Liability benchmark

	31.3.24 Forecast	31.3.25 Forecast	31.3.26 Forecast	31.3.27 Forecast	31.3.28 Forecast
Loans CFR	213.0	227.0	226.4	225.1	224.1
Less: Balance sheet resources	(24.2)	(22.1)	(21.6)	(20.5)	(19.7)
Net loans requirement	188.8	204.9	204.8	204.6	204.4
Plus: Liquidity allowance	10.0	20.0	20.0	20.0	20.0
Liability benchmark	198.7	224.9	224.8	224.6	224.4
Current loan profile**	(198.7)	(125.3)	(121.5)	(117.0)	(111.1)
Borrowing requirement	0.0	99.6	103.4	107.6	113.3

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

- 2.6. The long-term liability benchmark assumes capital expenditure funded by borrowing is in line with the medium-term financial plan, minimum revenue provision on new capital expenditure is based on the annuity method, and expenditure and reserves all increasing by inflation of 2.5% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing:



- 2.7. Our underlying need to borrow is shown by the top blue line and increases sharply over the short term due to the current approved capital programme. However, due to the use of reserves and working capital, the Council is expected to need total external borrowing between the full and dotted red lines. As our existing loans portfolio (shown in grey) reduce as loans mature, new loans will therefore be required to fill the gap between the grey area and the red lines over the longer term. The Council intends to maintain about a 50% level of short term loans which will partly fill this gap, but we will still need to take out longer term loans, mainly to fund the long-term capital investment built into the Capital MTFP.
- 2.8. The Council does not intend to borrow in advance of need and will not do so just to gain financially from short term investment of that borrowing. However, this option may be considered if it is felt that borrowing in advance allows opportunities to lock into favourable long-term rates as part of risk mitigation. This will be limited to no more than the expected increase in the Council’s Capital Financing Requirement over its medium term financial plan.

3. Borrowing Strategy

- 3.1. The Council currently holds £173.5m of loans, a decrease of £25.2m on the previous year, as part of its strategy for funding previous years’ capital programmes. The liability benchmark above shows that the Council expects to borrow up to £99.6m in 2024/25. The Council may also borrow additional sums to pre-fund future years’ requirements, providing this does not exceed the authorised limit for borrowing.

- 3.2. **Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 3.3. **Strategy:** Given the significant cuts to public expenditure over recent years and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 3.4. By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years.
- 3.5. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 3.6. The Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local Councils, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local Councils planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.
- 3.7. Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 3.8. **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - UK Infrastructure Bank Ltd
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (except the Greater Gwent Pension Fund)
 - capital market bond investors

- UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues
- CSC Foundry Ltd

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

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback
- similar asset based finance

3.9. **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local Councils. This is a more complicated source of finance than the PWLB for two reasons: borrowing Councils will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

3.10. **LOBOs:** The Council holds £3m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOs have options during 2024/25, and with interest rates having risen recently, there is now a good chance that lenders will exercise their options. If they do, the Council will take the option to repay LOBO loans to reduce refinancing risk in later years. .

3.11. **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

3.12. **Debt rescheduling:** The PWLB allows Councils to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

13.5. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen in the table above, the Council expects to comply with this over the medium term window based on current estimates of future debt levels.

13.6. **Authorised limit:** The Council is legally obliged to approve an affordable borrowing limit (also termed the 'authorised limit' for external debt) each year. In line with statutory

guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

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

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

Table 14: (Prudential indicator) - Authorised limit and operational boundary for external debt in £m

Operational boundary and Authorised limit	2024/25 Estimate £m's	2025/26 Estimate £m's	2026/27 Estimate £m's	2027/28 Estimate £m's
Operational Boundary - borrowing	252.6	253.5	253.8	254.2
PFI, leases & right of use assets/Headroom	2.8	2.8	2.8	2.8
Operational Boundary - total external debt	255.4	256.3	256.6	257.0
Authorised Limit - borrowing	268.0	268.9	269.2	269.6
PFI, leases & right of use assets/Headroom	3.8	3.8	3.8	3.8
Authorised Limit - total external debt	271.8	272.7	272.9	273.4

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

Table 15: (Treasury management indicator) - Maturity structure of borrowing

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

4. Treasury investments

Treasury Investment strategy

- 4.1. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £16.5m and £57.5m million. It is anticipated that the level of investments held in 2024/25 will be lower, as cash balances are used in lieu of external borrowing, in line with the authority's internal borrowing strategy.
- 4.2. **Objectives:** Both the CIPFA Code and the WG Guidance require the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 4.3. **Strategy:** As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds currently provides a degree of risk diversification into different sectors, however the Council will closely monitor the returns on these investments in light of a heightened interest rate environment.
- 4.4. The CIPFA Code does not permit local Councils to both borrow and invest long-term for cash flow management. But the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 4.5. **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 4.6. An updated list of signatories to the three charters is provided by the Authority's treasury advisors each quarter and will continue to be monitored. Any counterparties not signed up to all three charters will be removed from the Authorities investment portfolio.

- 4.7. The Council will continue through 2024/25 to engage with its advisors Arlingclose to evaluate its existing investments and assess whether a more sophisticated ESG policy can be applied. Governance and Audit Committee will be kept informed of progress through the regular reporting of treasury performance into committee.
- 4.8. **Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Council’s “business model” for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 4.9. **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the limits shown.

Table 16: Treasury investment counterparties and limits

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

Credit rating	Banks unsecured	Secured investments	Government	Corporates
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a
AAA – AA+	£3m	£4m	n/a	£4m
	13 months	5 years		5 years

Credit rating	Banks unsecured	Secured investments	Government	Corporates
AA – AA-	£3m	£4m	n/a	£4m
	13 months	5 years		5 years
A+ - A	£3m	£4m	n/a	£4m
	13 months	2 years		2 years
A-	£3m	£4m	n/a	£4m
	13 months	13 months		13 months

This table must be read in conjunction with the notes below

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

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

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

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

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

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

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of

providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

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

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

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

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £3m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

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

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

4.10. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

4.11. Reputational aspects: The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

- 4.12. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local Councils. This will cause investment returns to fall but will protect the principal sum invested.
- 4.13. **Investment limits:** The Council's revenue reserves available to cover investment losses are forecast to be £16.4m on 31st March 2024 and £15.0m on 31st March 2025. In order that no more than a third of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5m. A group of entities under the same ownership will be treated as a single organisation for limit purposes.
- 4.14. Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 17: Additional investment limits

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

- 4.15. **Liquidity management:** The Council uses its own cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.
- 4.16. The Council will spread its liquid cash over at least two providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Indicators

- 4.17. The Council measures and manages its exposures to treasury management risks using the following indicators.

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

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

- 4.19. **Long-term treasury management investments:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2024/25	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£5m	£4m	£2m	£5m

- 4.20. Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

5. Related matters

- 5.1. The CIPFA Code requires the Council to include the following in its treasury management strategy:
- 5.2. **Financial derivatives:**) Local Councils have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 24 of the Local Government and Elections (Wales) Act 2021 removes much of the uncertainty over local Councils' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 5.3. The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

- 5.4. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
- 5.5. In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 5.6. **External Funds:** The Council will from time to time hold fund on behalf of external organisations, companies or individuals. Unless a specific agreement is in place for the investment of the funds held, the Council will normally allocate interest returns based on a calculation of the average returns achieved from an overnight deposit rate with the Debt Management Office over the period held.
- 5.7. **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 officer or deputy believes this to be the most appropriate status.
- 5.8. **Government Guidance:** Further matters required by the WG Guidance are included in Section 6 below.

Financial Implications

- 5.9. The budget for investment income in 2024/25 is £925k, based on an average investment portfolio of £10m and existing pooled fund investments. Returns are expected to come from pooled fund investments, from shorter term investments with the Government, from secured/unsecured investments, or from Money Market Funds.
- 5.10. The budget for debt interest paid in 2024/25 is £6.95m, based on existing loans and assumed new borrowing at an average rate of 4.2%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.

Other Options Considered

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

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

6. Additional requirements of Welsh Government Investment Guidance

6.1. The Welsh Government (WG) published revised Investment Guidance in November 2019 which places additional reporting requirements upon local Councils that are not integral to this Council's treasury management processes. The guidance also covers investments that are not part of treasury management, for example investment property and loans to local organisations.

6.2. **Contribution:** The Council's investments contribute to its service delivery objectives and/or to promote wellbeing as follows:

- treasury management investments support effective treasury management activities,
- loans to local organisations provide financial support to those organisations to enable them to deliver local public services that would otherwise be provided directly by the Council, and
- investment property provides a net financial surplus that is reinvested into local public services and supports economic regeneration.

- 6.3. **Climate change:** The Authority’s investment decisions consider long term climate risks to support a low carbon economy to the extent that the Council has invested in, as part of the overall capital programme, a number of energy efficiency related schemes, including LED lighting and Solar PV, as well as ultra-low emission vehicles. In addition, the new Abergavenny 3-19 school is being constructed on a net carbon zero basis.
- 6.4. **Specified investments:** The WG Guidance defines specified investments as those:
- denominated in pound sterling,
 - due to be repaid within 12 months of arrangement unless the counterparty is a local Council,
 - not defined as capital expenditure by legislation, and
 - invested with one of:
 - the UK Government,
 - a UK local Council, parish council or community council, or
 - a body or investment scheme of “high credit quality”.
- 6.5. The Council defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of [A-] or higher.
- 6.6. **Loans:** The WG Guidance defines a loan as a written or oral agreement where the Council temporarily transfers cash to a third party, joint venture, subsidiary or associate who agrees a return according to the terms and conditions of receiving the loan, except where the third party is another local Council.
- 6.7. The Council uses an allowed ‘expected credit loss’ model for loans and receivables as set out in *International Financial Reporting Standard 9 Financial Instruments* as adopted by proper practices to measure the credit risk of its loan portfolio. Appropriate consideration is given to state aid rules and competition law. The Council has appropriate credit control arrangements to recover overdue repayments in place.
- 6.8. **Non-specified investments:** Any financial investment not meeting the definition of a specified investment or a loan is classed as non-specified. Given the wide definition of a loan, this category only applies to units in pooled funds and shares in companies. Limits on non-specified investments are shown in table 18; the Council confirms that its current non-specified investments remain within these limits.

Table 18: Non-specified investment limits

	Cash limit
Units in pooled funds without credit ratings or rated below [A-]	£10m

Shares in real estate investment trusts	£10m
Shares in local organisations	£5m
Total non-specified investments	£25m

6.9. **Non-financial investments:** This category covers non-financial assets held primarily or partially to generate a profit, primarily investment property. Security is determined by comparing each asset's purchase price to its fair value using the model in International Accounting Standard 40: Investment Property as adapted by proper practices. On an assessment as at 31st March 2023, the Council's investment property portfolio does not currently provide sufficient security for capital investment since its fair value is below its purchase price. The Council is therefore continue to closely review options to secure the capital invested, including:

- Retaining the asset and increasing net returns
- Disposing of the asset
- Retaining the asset for future capital gains
- Maximising return on capital in another way

6.10. The Council consider that the scale of its commercial investments including property are proportionate to the resources of the Council since gross income from such investments represent around 1.6% of the overall net revenue budget stream.

6.11. **Liquidity:** The Council's liquidity management has been detailed in the main Treasury report with regard to treasury activities. Before supporting local entities or placing a commercial investment the impact on liquidity is fully addressed, most commonly by taking out loans of an appropriate maturity to ensure funds are available for the life of the activity.

6.12. Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council will follow its Investment strategy for Commercial assets which ensures that any borrowed capital will be repaid with annual income earned from the investment or that an exit strategy identified during the due diligence will be followed.

6.13. **Investment advisers:** The Council has appointed Arlingclose Limited as treasury management advisers with the current contract running until 31st March 2025, and has used Alder King as advisers for the last two Commercial investment Property Acquisitions. The quality of these services is controlled by the Finance and Estates teams and also the Investment Committee appointed to oversee the Commercial Investments.

6.14. **Borrowing in advance of need:** Welsh Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority, after having regard to the guidance, will only

borrow in advance of need as part of a strategy for reducing risk of future interest rate rises and would not undertake such activity purely in order to profit from an investment.

- 6.15. **Capacity and skills:** The Section 151 officer is responsible for ensuring that those elected members and statutory officers involved in the investment decision making process have appropriate capacity, skills and information to enable them to:
- take informed decisions as to whether to enter into a specific investment;
 - assess individual investments in the context of the strategic objectives and risk profile of the local Council; and
 - understand how the quantum of these decisions have changed the overall risk exposure of the local Council.
- 6.16. Steps taken include relevant training for elected members and a minimum level of qualification for statutory officers, as well as ensuring continuing professional development, via attendance at relevant training courses. Officers will always take advice from its independent advisers regarding investment and borrowing activity.
- 6.17. **Commercial deals:** The investment committee is responsible for ensuring that those tasked with negotiating commercial deals have the appropriate skills and access to information to allow them to operate with regard to the principles of the prudential framework and regulatory regime within which the Council operates.
- 6.18. **Corporate Governance:** The Council has a clear corporate governance framework set out within its constitution, delegation framework and Annual Governance Statement. This ensures that decisions regarding investment are taken at the appropriate level. For example, the overarching treasury strategy and framework is approved by full Council. Operational decisions, such as day to day cashflow management, including borrowing, are delegated to the Section 151 officer or Deputy.

7. Advisors Economic & Interest Rate Forecast – December 2023

Underlying assumptions:

- UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures

suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.

- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
 - Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.
 - Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.
 - Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.
 - There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.
- **Forecast:**
 - The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.
 - The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
 - The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
 - Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

8. MRP Policy Statement 2024/25

- 8.1. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to Welsh Government's Guidance on Minimum Revenue Provision (the WG Guidance) most recently issued in 2018.
- 8.2. The broad aim of the WG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 8.3. The WG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement only incorporates options recommended in the Guidance.
- 8.4. MRP options recommended in the Guidance include:

Option 1	For capital expenditure incurred before 1st April 2008, and for supported capital expenditure incurred on or after that date, MRP will be determined in accordance with the former regulations that applied on 31st March 2008.
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Option 2	For General Fund capital expenditure incurred before 1st April 2008, and for supported capital expenditure incurred on or after that date, MRP will be determined as 4% of the capital financing requirement in respect of that expenditure.
Option 3	For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
Option 4	For capital expenditure incurred after 31st March 2008, MRP will be determined as being equal to the accounting charge for depreciation and impairment on those assets (or parts of) continuing until the expenditure has been fully funded.

Note: This does not preclude other prudent methods.

MRP in 2024/25:

8.5. The following MRP policy will be applied in 2024/25:

Type of Expenditure	Option Applied	MRP Calculation
Supported Borrowing funded Expenditure	Option 3	Calculated on an annuity basis over the expected useful life of an asset, whereby the MRP element increases over time to reflect a consistent charge over life of the assets taking into account the real value of money
Unsupported Borrowing funded Expenditure	Option 3	Calculated on an annuity basis over the expected useful life of an asset, whereby the MRP element increases over time to reflect a consistent charge over life of the assets taking into account the real value of money
Leases and PFI		MRP will be determined as being equal to the element of the rent or charge that goes to

		write down the balance sheet liability
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- 8.6. For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council may make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the WG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred in the loan is fully funded over the life of the assets.
- 8.7. In all cases Capital expenditure incurred during 2024/25 will not be subject to an MRP charge until 2025/26. The 2024/25 budget proposals reflect these outlined positions.

9. Glossary of treasury terms

Authorised Limit	The affordable borrowing limit determined in compliance with the Local Government Act 2003 (English and Welsh Councils) and the Local Government in Scotland Act 2003. This Prudential Indicator is a statutory limit for total external debt. It is set by the Council and needs to be consistent with the Council's plans for capital expenditure financing and funding. The Authorised Limit provides headroom over and above the <i>Operational Boundary</i> to accommodate expected cash movements. Affordability and prudence are matters which must be taken into account when setting this limit. (see also <i>Operational Boundary</i> , below)
Balances and Reserves	Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.
Bail-in	Refers to the process which the banking regulatory Councils will use to restructure a financial institution which is failing or likely to fail. Unsecured creditors of and investors in that financial institution will participate in its restructure who will, as a consequence, incur a non-recoverable loss (commonly referred to as a 'haircut') on their obligation/investment. Local Council investments with banks and building societies such as term deposits, certificates of deposit, call accounts and non-collateralised bonds are unsecured investments and are therefore vulnerable to bail-in.

Bank Rate	The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". This rate is also referred to as the 'repo rate'.
Bond	A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.
Capital Expenditure	Expenditure on the acquisition, creation or enhancement of capital assets
Capital Financing Requirement (CFR)	The Council's underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local Council that has not been financed.
Capital growth	Increase in the value of the asset (in the context of a collective investment scheme, it will be the increase in the unit price of the fund)
Capital receipts	Money obtained on the sale of a capital asset.
CIPFA	Chartered Institute of Public Finance and Accountancy
Constant Net Asset Value (CNAV)	Also referred to as Stable Net Asset Value. A term used in relation to the valuation of 1 share in a fund. This means that at all times the value of 1 share is £1/€1/US\$1 (depending on the currency of the fund). The Constant NAV is maintained since dividend income (or interest) is either added to the shareholders' account by creating shares equal to the value of interest earned or paid to the shareholder's bank account, depending on which option is selected by the shareholder.
Collective Investment Schemes	Funds in which several investors collectively hold units or shares. The assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'Pooled Funds'). Unit Trusts and Open-Ended Investment Companies are types of collective investment schemes / pooled funds.
Corporate Bonds	Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.
Corporate Bond Funds	Collective Investment Schemes investing predominantly in bonds issued by companies and supranational organisations.

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

Gilts (UK Govt)	Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged': being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.
Housing Revenue Account (HRA)	A ring-fenced account of all housing income and expenditure, required by statute
IFRS	International Financial Reporting Standards
Income Distribution	The payment made to investors from the income generated by a fund; such a payment can also be referred to as a 'dividend'
Investments - Secured - unsecured	Secured investments which have underlying collateral in the form of assets which can be called upon in the event of default Unsecured investments do not have underlying collateral. Such investments made by local Councils with banks and building societies are at risk of bail-in should the regulator determine that the bank is failing or likely to fail.
Liability Benchmark	Term in CIPFA's Risk Management Toolkit which refers to the minimum amount of borrowing required to keep investments at a minimum liquidity level (which may be zero).
LOBOs	LOBO stands for 'Lender's Option Borrower's Option'. The underlying loan facility is typically long term and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at predetermined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility.
LVNAV (Low Volatility Net Asset Value)	From 2019 Money Market Funds will have to operate under a variable Net Value Structure with minimal volatility (fluctuations around £1 limited to between 99.8p to 100.2p)
Maturity	The date when an investment or borrowing is repaid.
Maturity profile	A table or graph showing the amount (or percentage) of debt or investments maturing over a time period. The amount or percent maturing could be shown on a year-by-year or quarter-by-quarter or month-by-month basis.
MiFID II	MiFID II replaced the Markets in Financial Instruments Directive (MiFID I) from 3 January 2018. It is a legislative framework

	instituted by the European Union to regulate financial markets in the bloc and improve protections for investors.
Money Market Funds (MMF)	Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.
Minimum Revenue Provision	An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets
Non-Specified Investments	Term used in the Communities and Local Government Guidance and Welsh Assembly Guidance for Local Council Investments. It includes any investment for periods greater than one year or those with bodies that do not have a high credit rating, use of which must be justified.
Net Asset Value (NAV)	A fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.
Operational Boundary	This is the limit set by the Council as its most likely, i.e. prudent, estimate level of external debt, but not the worst case scenario. This limit links directly to the Council's plans for capital expenditure, the estimates of the Capital Financing Requirement (CFR) and the estimate of cashflow requirements for the year.
Permitted Investments	Term used by Scottish Councils as those the Council has formally approved for use.
Pooled funds	See Collective Investment Schemes (above)
Premiums and Discounts	<p>In the context of local Council borrowing, (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and (b) the discount is the gain arising when a loan is redeemed prior to its maturity date. If on a £1 million loan, it is calculated* that a £100,000 premium is payable on premature redemption, then the amount paid by the borrower to redeem the loan is £1,100,000 plus accrued interest. If on a £1 million loan, it is calculated that a £100,000 discount receivable on premature redemption, then the amount paid by the borrower to redeem the loan is £900,000 plus accrued interest.</p> <p>PWLB premium/discount rates are calculated according to the length of time to maturity, current market rates (plus a margin), and the existing loan rate which then produces a premium/discount dependent on whether the discount rate is lower/higher than the coupon rate.</p> <p>*The calculation of the total amount payable to redeem a loan borrowed from the Public Works Loans Board (PWLB) is the</p>

	<p>present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.</p>
Private Finance Initiative (PFI)	<p>Private Finance Initiative (PFI) provides a way of funding major capital investments, without immediate recourse to the public purse. Private consortia, usually involving large construction firms, are contracted to design, build, and in some cases manage new projects. Contracts can typically last for 30 years, during which time the asset is leased by a public Council.</p>
Prudential Code	<p>Developed by CIPFA and introduced on 01/4/2004 as a professional code of practice to support local Council capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.</p>
Prudential Indicators	<p>Indicators determined by the local Council to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators between Councils.</p>
PWLB	<p>Public Works Loans Board. It is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local Councils and other prescribed bodies, and to collect the repayments.</p>
Quantitative Easing	<p>In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It "does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions – that could be insurance companies, pension funds, banks or non-financial firms – and credits the seller's bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim</p>

	against the Bank of England (known as reserves). The end result is more money out in the wider economy”. Source: Bank of England
Registered Provider of Social Housing	Formerly known as Housing Association
Revenue Expenditure	Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges
RPI	Retail Prices Index. A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent. Pensions and index-linked gilts are uprated using the CPI index.
SORP	Statement of Recommended Practice for Accounting (Code of Practice on Local Council Accounting in the United Kingdom).
Specified Investments	Term used in the CLG Guidance and Welsh Assembly Guidance for Local Council Investments. Investments that offer high security and high liquidity, in sterling and for no more than 1 year. UK government, local Councils and bodies that have a high credit rating.
Supported Borrowing	Borrowing for which the costs are supported by the government or third party.
Supranational Bonds	Instruments issued by supranational organisations created by governments through international treaties (often called multilateral development banks). The bonds carry an AAA rating in their own right. Examples of supranational organisations are those issued by the European Investment Bank, the International Bank for Reconstruction and Development.
Treasury Management Code	CIPFA’s Code of Practice for Treasury Management in the Public Services. The current Code is the edition released in autumn 2011.
Temporary Borrowing	Borrowing to cover peaks and troughs of cash flow, not to fund spending.

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

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REPORT

SUBJECT: COUNCIL TAX RESOLUTION and REVENUE AND CAPITAL BUDGETS FOR 2024/25

DIRECTORATE: Resources

MEETING: Council

DATE: 29th February 2024

DIVISION/WARDS AFFECTED: All

1. PURPOSE

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

2. RECOMMENDATIONS

- 2.1 That the outcome of the final Local Government Settlement from Welsh Government is noted.
- 2.2 That the revenue and capital budget estimates for the year 2024/25 as attached in Appendix 1 to 3 be approved.
- 2.3 It be noted that, at its meeting on 28th February 2024, Cabinet calculated the amounts set out below for the year 2024/25 in accordance with sections 32 and 33 of the Local Government Finance Act 1992 ("the Act").

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

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

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

All necessary legislative and statutory amendments have been considered in calculating the following amounts: -

- (a) 48,465.53 being the amount calculated by the Council, in accordance with Section 33 of the Act and The Regulations (as amended by Regulations 1999 no. 2935), as its Council Tax base for the year;
- (b) Part of the Council’s Area, being the amounts calculated by the Council, in accordance with Section 34 of the Act, as the amounts of its Council Tax base for the year for dwellings in those parts of the area to which one or more special items relate:

Community	Council Tax Base for 2024/25	Community	Council Tax Base for 2024/25
Abergavenny	5,263.72	Llantrissant Fawr	552.40
Caerwent	1,192.33	Magor with Undy	3,037.93
Caldicot	4,158.16	Mathern	596.58
Chepstow	5,897.04	Mitchell Troy	910.68
Crucorney	754.07	Monmouth	5,529.17
Devauden	741.45	Portskewett	1,308.77
Gobion Fawr	748.97	Raglan	1,166.47
Goetre Fawr	1,215.41	Rogiet	790.95
Grosmont	438.45	Shirenewton	762.20
Llanarth	531.92	St. Arvans	455.68
Llanbadoc	732.91	Skenfrith	428.67
Llanelly	2,040.54	Trellech	1,525.41
Llanfoist Fawr	1,956.34	Usk	1,428.36
Llangybi	884.49	Whitecastle	879.84
Llantillio Pertholey	1,862.39	Wye Valley	674.23
		Total	48,465.53

It is recommended that Council resolves:

- 2.4 That the following amounts be now calculated by the Council for the year 2024/25 in accordance with Sections 32 to 36 of the Act and sections 47 and 49 of the [Local Government Finance Act 1988](#) (as amended):
- (a) £211,445,242 being the aggregate of the amounts the Council estimates for the items set out in Section 32(2) (a) to (d) of the Act less the aggregate of the amounts the Council estimates for the items set out in Section 32 (3) (a) and (c) of the Act calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year
 - (b) £126,096,333 being the aggregate of the sums which the Council estimates will be payable for the year into its Council fund in respect of redistributed non-domestic rates and revenue support grant in accordance with Section 33 (3)
 - (c) £6,000 being the cost to the authority of discretionary non-domestic rate relief anticipated to be granted (under sections 47 and 49 of the [Local Government Finance Act 1988](#) , as amended)
 - (d) £1,761.15 being the amount at 2.4(a) and 2.4(c) above less the amount at 2.4(b) above, all divided by the amount at 2.3(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year
 - (e) £3,608,100 being the aggregate amount of all special items referred to in Section 34 of the Act (Town and Community Precepts)
 - (f) £1,686.70 being the amount at 2.4(d) above less the result given by dividing the amount at 2.4(e) above by the amount at 2.3(a) above calculated by the Council in accordance with Section 34(2) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which no special item relates.
 - (g) Part of the Council's Area, being the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amounts at 2.3(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which one or more special items relate:

Community Council	Precept Band D Equivalent £'s	Community Council	Precept Band D Equivalent £'s
Abergavenny	112.87	Llantrissant Fawr	34.70
Caerwent	45.00	Magor with Undy	110.63
Caldicot	108.68	Mathern	38.93
Chepstow	111.50	Mitchell Troy	18.67
Crucorney	20.16	Monmouth	98.55
Devauden	34.77	Portskewett	38.57
Gobion Fawr	15.35	Raglan	30.81
Goetre Fawr	37.02	Rogiet	82.18
Grosmont	68.42	Shirenewton	53.14
Llanarth	16.92	St. Arvans	63.41
Llanbadoc	37.87	Skenfrith	31.49
Llanelly	49.50	Trellech	30.41
Llanfoist Fawr	30.67	Usk	121.20
Llangybi	28.26	Whitecastle	19.75
Llantillio Pertholey	31.14	Wye Valley	46.08

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

Council Tax Band	A	B	C	D	E	F	G	H	I
Proportion	6	7	8	9	11	13	15	18	21
Council Tax Charge	1,124.47	1,311.88	1,499.29	1,686.70	2,061.52	2,436.34	2,811.17	3,373.40	3,935.63

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

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

County Council plus Town/Community Council

	A	B	C	D	E	F	G	H	I
Abergavenny	1,199.72	1,399.67	1,599.62	1,799.57	2,199.47	2,599.37	2,999.29	3,599.14	4,198.99
Caerwent	1,154.47	1,346.88	1,539.29	1,731.70	2,116.52	2,501.34	2,886.17	3,463.40	4,040.63
Caldicot	1,196.92	1,396.41	1,595.89	1,795.38	2,194.35	2,593.32	2,992.30	3,590.76	4,189.22
Chepstow	1,198.80	1,398.60	1,598.40	1,798.20	2,197.80	2,597.40	2,997.00	3,596.40	4,195.80
Crucorney	1,137.91	1,327.56	1,517.21	1,706.86	2,086.16	2,465.46	2,844.77	3,413.72	3,982.67
Devauden	1,147.65	1,338.92	1,530.20	1,721.47	2,104.02	2,486.56	2,869.12	3,442.94	4,016.76
Gobion Fawr	1,134.70	1,323.82	1,512.93	1,702.05	2,080.28	2,458.51	2,836.75	3,404.10	3,971.45
Goetre Fawr	1,149.15	1,340.67	1,532.20	1,723.72	2,106.77	2,489.81	2,872.87	3,447.44	4,022.01
Grosmont	1,170.08	1,365.10	1,560.11	1,755.12	2,145.14	2,535.17	2,925.20	3,510.24	4,095.28
Llanarth	1,135.75	1,325.04	1,514.33	1,703.62	2,082.20	2,460.78	2,839.37	3,407.24	3,975.11
Llanbadoc	1,149.72	1,341.33	1,532.95	1,724.57	2,107.81	2,491.04	2,874.29	3,449.14	4,023.99
Llanelly	1,157.47	1,350.38	1,543.29	1,736.20	2,122.02	2,507.84	2,893.67	3,472.40	4,051.13
Llanfoist Fawr	1,144.92	1,335.73	1,526.55	1,717.37	2,099.01	2,480.64	2,862.29	3,434.74	4,007.19
Llangybi	1,143.31	1,333.86	1,524.41	1,714.96	2,096.06	2,477.16	2,858.27	3,429.92	4,001.57
Llantillio Pertholey	1,145.23	1,336.10	1,526.97	1,717.84	2,099.58	2,481.32	2,863.07	3,435.68	4,008.29
Llantrissant Fawr	1,147.60	1,338.87	1,530.13	1,721.40	2,103.93	2,486.46	2,869.00	3,442.80	4,016.60
Magor with Undy	1,198.22	1,397.93	1,597.63	1,797.33	2,196.73	2,596.14	2,995.55	3,594.66	4,193.77
Mathern	1,150.42	1,342.16	1,533.89	1,725.63	2,109.10	2,492.57	2,876.05	3,451.26	4,026.47
Mitchell Troy	1,136.92	1,326.40	1,515.89	1,705.37	2,084.34	2,463.31	2,842.29	3,410.74	3,979.19
Monmouth	1,190.17	1,388.53	1,586.89	1,785.25	2,181.97	2,578.69	2,975.42	3,570.50	4,165.58
Portskewett	1,150.18	1,341.88	1,533.57	1,725.27	2,108.66	2,492.05	2,875.45	3,450.54	4,025.63
Raglan	1,145.01	1,335.84	1,526.68	1,717.51	2,099.18	2,480.84	2,862.52	3,435.02	4,007.52
Rogiet	1,179.26	1,375.80	1,572.34	1,768.88	2,161.96	2,555.04	2,948.14	3,537.76	4,127.38
Shirenewton	1,159.90	1,353.21	1,546.53	1,739.84	2,126.47	2,513.10	2,899.74	3,479.68	4,059.62
St. Arvans	1,166.74	1,361.20	1,555.65	1,750.11	2,139.02	2,527.93	2,916.85	3,500.22	4,083.59
Skenfrith	1,145.46	1,336.37	1,527.28	1,718.19	2,100.01	2,481.83	2,863.65	3,436.38	4,009.11

Trellech	1,144.74	1,335.53	1,526.32	1,717.11	2,098.69	2,480.27	2,861.85	3,434.22	4,006.59
Usk	1,205.27	1,406.15	1,607.02	1,807.90	2,209.65	2,611.41	3,013.17	3,615.80	4,218.43
Whitecastle	1,137.64	1,327.24	1,516.85	1,706.45	2,085.66	2,464.87	2,844.09	3,412.90	3,981.71
Wye Valley	1,155.19	1,347.72	1,540.25	1,732.78	2,117.84	2,502.90	2,887.97	3,465.56	4,043.15

2.5 That it be noted for the year 2024/25 that the Office of Police and Crime Commissioner for Gwent has proposed, pending conclusion of the full scrutiny process, the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the dwellings shown above: -

Council Tax Band	A	B	C	D	E	F	G	H	I
Proportion	6	7	8	9	11	13	15	18	21
Council Tax Charge	233.01	271.85	310.68	349.52	427.19	504.86	582.53	699.04	815.55

6 That, having calculated the aggregate in each case of the amounts at 2.4(i) and 2.5 above, the Council, in accordance with Section 30(2) of the Act, hereby sets the following amounts as the amounts of Council Tax for the year 2024/25 for each of the categories of dwellings shown below: -

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

	A	B	C	D	E	F	G	H	I
Abergavenny	1,432.73	1,671.52	1,910.30	2,149.09	2,626.66	3,104.23	3,581.82	4,298.18	5,014.54
Caerwent	1,387.48	1,618.73	1,849.97	2,081.22	2,543.71	3,006.20	3,468.70	4,162.44	4,856.18
Caldicot	1,429.93	1,668.26	1,906.57	2,144.90	2,621.54	3,098.18	3,574.83	4,289.80	5,004.77
Chepstow	1,431.81	1,670.45	1,909.08	2,147.72	2,624.99	3,102.26	3,579.53	4,295.44	5,011.35
Crucorney	1,370.92	1,599.41	1,827.89	2,056.38	2,513.35	2,970.32	3,427.30	4,112.76	4,798.22
Devauden	1,380.66	1,610.77	1,840.88	2,070.99	2,531.21	2,991.42	3,451.65	4,141.98	4,832.31
Gobion Fawr	1,367.71	1,595.67	1,823.61	2,051.57	2,507.47	2,963.37	3,419.28	4,103.14	4,787.00
Goetre Fawr	1,382.16	1,612.52	1,842.88	2,073.24	2,533.96	2,994.67	3,455.40	4,146.48	4,837.56
Grosmont	1,403.09	1,636.95	1,870.79	2,104.64	2,572.33	3,040.03	3,507.73	4,209.28	4,910.83
Llanarth	1,368.76	1,596.89	1,825.01	2,053.14	2,509.39	2,965.64	3,421.90	4,106.28	4,790.66
Llanbadoc	1,382.73	1,613.18	1,843.63	2,074.09	2,535.00	2,995.90	3,456.82	4,148.18	4,839.54
Llanelly	1,390.48	1,622.23	1,853.97	2,085.72	2,549.21	3,012.70	3,476.20	4,171.44	4,866.68
Llanfoist Fawr	1,377.93	1,607.58	1,837.23	2,066.89	2,526.20	2,985.50	3,444.82	4,133.78	4,822.74
Llangybi	1,376.32	1,605.71	1,835.09	2,064.48	2,523.25	2,982.02	3,440.80	4,128.96	4,817.12
Llantillio Pertholey	1,378.24	1,607.95	1,837.65	2,067.36	2,526.77	2,986.18	3,445.60	4,134.72	4,823.84
Llantrissant Fawr	1,380.61	1,610.72	1,840.81	2,070.92	2,531.12	2,991.32	3,451.53	4,141.84	4,832.15
Magor with Undy	1,431.23	1,669.78	1,908.31	2,146.85	2,623.92	3,101.00	3,578.08	4,293.70	5,009.32
Mathern	1,383.43	1,614.01	1,844.57	2,075.15	2,536.29	2,997.43	3,458.58	4,150.30	4,842.02
Mitchell Troy	1,369.93	1,598.25	1,826.57	2,054.89	2,511.53	2,968.17	3,424.82	4,109.78	4,794.74
Monmouth	1,423.18	1,660.38	1,897.57	2,134.77	2,609.16	3,083.55	3,557.95	4,269.54	4,981.13
Portskewett	1,383.19	1,613.73	1,844.25	2,074.79	2,535.85	2,996.91	3,457.98	4,149.58	4,841.18
Raglan	1,378.02	1,607.69	1,837.36	2,067.03	2,526.37	2,985.70	3,445.05	4,134.06	4,823.07
Rogiet	1,412.27	1,647.65	1,883.02	2,118.40	2,589.15	3,059.90	3,530.67	4,236.80	4,942.93
Shirenewton	1,392.91	1,625.06	1,857.21	2,089.36	2,553.66	3,017.96	3,482.27	4,178.72	4,875.17
St. Arvans	1,399.75	1,633.05	1,866.33	2,099.63	2,566.21	3,032.79	3,499.38	4,199.26	4,899.14
Skenfrith	1,378.47	1,608.22	1,837.96	2,067.71	2,527.20	2,986.69	3,446.18	4,135.42	4,824.66
Trellech	1,377.75	1,607.38	1,837.00	2,066.63	2,525.88	2,985.13	3,444.38	4,133.26	4,822.14
Usk	1,438.28	1,678.00	1,917.70	2,157.42	2,636.84	3,116.27	3,595.70	4,314.84	5,033.98
Whitecastle	1,370.65	1,599.09	1,827.53	2,055.97	2,512.85	2,969.73	3,426.62	4,111.94	4,797.26
Wye Valley	1,388.20	1,619.57	1,850.93	2,082.30	2,545.03	3,007.76	3,470.50	4,164.60	4,858.70

- 2.7 On 9th March 2023 Council decided to introduce council tax premiums from 1st April 2024 for long term empty properties and second homes. Council tax for 2024/25 will therefore be charged at a premium rate of between 100% to 300% above the standard rate of council tax for those dwellings that are defined as long term empty and have been empty for a continuous period of one year. A 100% premium will apply to properties empty for one year, a 200% premium will apply to properties empty for two years and a 300% premium will apply to properties empty for three years or more.
- 2.8 Following a review, Council also decided on 18th January 2024 to go ahead with the decision made on 9th March 2023 to charge a 100% premium above the standard rate of council tax for those dwellings defined as a second home. Council also decided on 18th January 2024 to use its discretionary powers, under Section 12B of the Local Government Finance Act 1992, to introduce an additional exception to those prescribed in the regulations. This exception will exempt businesses moving from the commercial list (business rates) to the domestic list (council tax) from the second home premium for a period of 12 months. During this time standard council tax will still apply.
- 2.9 That Mrs D Smith, Mr M Owen, Ms L Crump, Ms C Morgan and Mrs S Knight of the Revenues Shared Service be authorised under Section 223 of the Local Government Act 1972 to prosecute and appear on behalf of Monmouthshire County Council in proceedings before a Magistrates Court for the purpose of applying for Liability Orders in respect of Council Tax and Non-Domestic Rates.

KEY ISSUES

The final revenue and capital budgets for 2024/25 were considered by Cabinet on 28th February 2024. The final settlement will be announced ahead of this by Welsh Government on 27th February 2024. It is anticipated that the Minister will confirm:

- a) The intention to transfer funding for the increased employer costs related to Fire and Rescue Authority (FRA) pensions into the final local government settlement. Councils have been kept informed and this will be accommodated as part of the final budget proposals. The late notification of the provisional settlement allowed all datasets to have been included at that stage.
- b) An increase in the settlement resulting from £25m of consequential funding from UK Government that Welsh Government have confirmed will be passported through to local authorities in full by way of a reversal of a planned reduction in the social care workforce grant (£10m to restore the grant to £45m across Wales) with the remainder being added to the final settlement. Both of these changes have been factored into the Council's final budget proposals.
- c) A small number of transfers into the settlement from specific grants which result from an ongoing programme of work by Welsh Government to reduce the number of separate grants paid to local authorities or to consider moving grants into the de-hypothecated settlement if the wider context makes this appropriate. There is no overall impact on the final budget proposals as a result of these transfers.

- 3.2 It is worth noting that the ongoing financial challenges remain as always a dynamic situation. Further work will be undertaken to develop the medium term strategy and plan that will include an ongoing assessment of pressures, risks and modelling assumptions along with a clear plan and approach to address the budget shortfalls forecast.
- 3.3 The key risks remaining to be assessed and managed in 2024/25 and as yet unknown are:
- The deliverability of budget savings proposals represents an ongoing risk for 2024/25, especially where the budget proposals involve the generation of income, changes to current structures, systems and processes, consideration of alternative delivery models or have implications for service design involving community, other partners and entities. The month 9 forecast reported an anticipated 85% delivery of £12.3m of savings and a resultant deficit that needed to be managed as part of in-year budget recovery action taken.
 - Continued service demand pressures in children's social services, demographic changes such as an increasing elderly population, changes in pupil numbers, increase in special educational need provision and increase in homeless presentations have been included where known in the current budget process. These pressures remain significant in both the current year and next year. The need for continued and robust monitoring is essential to ensure that there is cost control and continued efforts are made to refrain from non-essential spend.
 - Late notification of grant funding streams being removed or reduced. There are still some specific grant streams that the Council relies upon, that have either not yet been communicated by Welsh Government, have been received late in the budget process or where the impact of notifications is awaiting further clarification. It is hoped that further detail will be provided when Welsh Government release the final settlement on 27th February. Any funding shortfalls will need to be managed on a case by case basis.
 - The risk of pay awards being greater than modelled budget assumptions and not being fully funded by UK and Welsh Government.
 - Formal confirmation is still awaited from UK Government to confirm its full funding of the planned increase in the employer pension contribution rates for the centrally administered Teacher's pension scheme. To the extent that it is not fully funded this presents a potential risk and further budget pressure for 2024/25.
 - The impact of higher interest rates and inflation brought about by a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, has the potential to impact on service and treasury budgets respectively.
- 3.4 In light of the above risks and the ongoing strain on the Council's finances the strengthened governance arrangements and that include the oversight provided by the Financial Management Board will continue through 2024/25 such as to provide assurance that

arrangements are in place leading into and throughout next financial year to both deliver savings and to respond to any circumstances where further budget pressures might require further mitigation or savings to be brought forward.

- 3.5 In terms of setting council tax for 2024/25 statute requires that Council makes appropriate recommendations to prescribed timescales for setting the Council Tax payable for the coming financial year. The Council must also account for precepts made upon it by the Office of Police and Crime Commissioner for Gwent and by Town and Community Councils. Recommendation 2.6 discharges these obligations.
- 3.6 The Council is also required to authorise officers to undertake advance recovery action through the Courts where necessary. The authorising recommendation appears at 2.9 above.

4. OPTIONS APPRAISAL

Not applicable as this is a statutory report.

EVALUATION CRITERIA

Not applicable.

REASONS

- 6.1 To approve the summary revenue and capital budget for 2024/25.
- 6.2 To set the Council Tax for the 2024/25 financial year.
- 6.3 To discharge the Responsible Financial Officer's responsibilities under the Local Government Act 2003.

7. RESOURCE IMPLICATIONS:

As identified in the report.

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

8.1 The equality and sustainability considerations on the budget proposals have been identified throughout the budget process and were taken into account by Cabinet when approving the budget on 28th February 2024. The relevant information is contained in the papers for the Final Budget proposals for the 2024/25 Revenue and Capital Budget.

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

9. CONSULTEES:

This report arises from Councils approval of the 2024/25 budget proposals and contains the statutory decisions in relation to setting council tax for 2024/25. The budget has undergone considerable consultation to arrive at the recommendations today.

10. BACKGROUND PAPERS:

Revenue and Capital Budget 2024/25 - Final proposals following public consultation: Cabinet 28th February 2024

11. AUTHORS:

Peter Davies – Deputy Chief Executive, Chief Officer for Resources (S151 Officer)

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

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APPENDICES

Appendix 1 – Revenue Budget summary 2023/24 to 2027/28

Appendix 2 – Reconciliation through the 2024/25 revenue budget process

Appendix 3 – Capital Budget summary 2024/25 to 2027/28

Appendix 1 – Revenue Budget Summary

Services	Adjusted Base Budget 2023/24 £000's	Final Base Budget 2024/25 £000's	Indicative Base Budget 2025/26 £000's	Indicative Base Budget 2026/27 £000's	Indicative Base Budget 2027/28 £000's
Children & Young People	62,482	64,853	66,188	67,553	68,940
Social Care & Health	64,094	68,410	69,123	69,896	70,593
Communities & Place	25,272	27,249	27,585	28,460	29,100
MonLife	8,353	8,088	8,274	8,467	8,629
Resources	8,302	8,344	8,489	8,638	8,774
Chief Executive's Unit	3,181	3,288	3,372	3,458	3,536
Law & Governance	2,667	2,894	2,962	3,031	3,095
Corporate Costs & Levies	27,517	29,553	40,974	49,548	58,253
Sub Total	201,870	212,680	226,967	239,050	250,919
Transfers to reserves	63	833	872	914	957
Transfers from reserves	(2,588)	(1,955)	(349)	(527)	(354)
Treasury	9,170	8,423	10,324	10,779	10,562
Treasury & Reserves Total	6,645	7,302	10,847	11,166	11,165
Total Expenditure Budget	208,515	219,981	237,814	250,216	262,084
Aggregate External Financing (AEF)	(122,675)	(126,096)	(126,939)	(127,828)	(128,722)
Council Tax (MCC)	(66,955)	(72,582)	(76,356)	(80,326)	(84,503)
Council Tax (MCC Premium)	0	(755)	(794)	(836)	(879)
Council Tax (Gwent Police)	(15,505)	(16,940)	(17,821)	(18,747)	(19,722)
Council Tax (Community Councils)	(3,381)	(3,608)	(3,608)	(3,608)	(3,608)
Contribution to/(from) Council Fund	0	0	0	0	0
Sub Total Financing	(208,515)	(219,981)	(225,518)	(231,345)	(237,435)
(Surplus)/Deficit	0	0	12,296	18,871	24,649

Appendix 2 – Reconciliation through the budget process

Net Expenditure Budgets	January 2024 Cabinet proposals		Final Settlement Changes		February 2024 Cabinet and Final budget recommendations to Council			
	Adjusted Base Budget 2023/24	Draft Budget 2024/25	Adjustment to AEF	Settlement pressures / adjustments	Changes to Pressures	Changes to Savings	Final amendments	Final budget recommended
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Children and Young People	62,482	64,018			1,500	(665)		64,853
Social Care and Health	64,094	67,817		40	350	203		68,410
Communities & Place	25,470	26,877		225		148		27,249
Monlife	8,353	8,087						8,088
Resources	8,381	8,326		18				8,344
Chief Executive's unit	3,181	3,288						3,288
Law & Governance	2,667	2,894						2,894
Corporate Costs & Levies	30,517	29,462		77		200	(186)	29,553
Sub Total	205,147	210,769	0	360	1,850	(114)	(186)	212,680
Borrowing Costs	9,170	7,374					1,049	8,423
Contributions to Earmarked reserves	63	688					145	833
Contributions from Earmarked reserves	(4,681)	(295)					(1,660)	(1,955)
Total Expenditure	209,699	218,536	0	360	1,850	(114)	(652)	219,981
Funding Budgets								
Aggregate External Financing (AEF)	(122,675)	(125,355)	(741)					(126,096)
Council Tax (MCC)	(66,955)	(72,380)					(202)	(72,582)
Council Tax (MCC Premium)	0	(753)					(2)	(755)
Council Tax (Gwent Police)	(15,505)	(16,668)					(272)	(16,940)
Council Tax (Community Councils)	(3,381)	(3,381)					(227)	(3,608)
Council Fund Contribution	(1,184)	0						0
Total Funding	(209,699)	(218,536)	(741)	0	0	0	(703)	(219,981)
Total Budget	0	0	(741)	360	1,850	(114)	(1,355)	0

	Band D Council Tax 2023/24 £	2024/25 tax base	Band D Council Tax 2024/25 £	Band D %age increase				
Council tax recommendations	1,564.66	48,465.53	1,686.70	7.80%				

Appendix 3 – Capital budget 2024/25 to 2027/28

Scheme	Final Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28
	£	£	£	£
Expenditure				
Property Maintenance	1,653,357	1,653,357	1,653,357	1,653,357
Property Maintenance Fees	236,194	236,194	236,194	236,194
County Farms Maintenance	250,773	300,773	300,773	300,773
Upgrade School Kitchens	39,725	39,725	39,725	39,725
Decarbonisation Surveys	100,000	0	0	0
Depot H&S Improvements	350,000	0	0	0
Asset Management Schemes	2,630,049	2,230,049	2,230,049	2,230,049
Abergavenny 3-19 school	19,456,606	4,151,797	0	0
School Development Schemes	19,456,606	4,151,797	0	0
Carriageway major works	1,448,540	1,136,540	1,136,540	1,136,540
Carriageway minor works	1,500,000	500,000	500,000	500,000
Safety fence upgrades	76,181	76,181	76,181	76,181
Highways additional improvements	812,000	812,000	812,000	812,000
Footway Reconstruction	338,453	197,453	197,453	197,453
Reconstruction of bridges & retaining walls	590,041	449,041	449,041	449,041
Road safety & trafficman programme	161,508	129,508	129,508	129,508
Signing upgrades & disabled facilities	38,091	38,091	38,091	38,091
Street Lighting Defect Column Programme	171,408	171,408	171,408	171,408
Flood Alleviation Schemes	30,427	11,427	11,427	11,427
Drainage & Gully works	375,000	375,000	375,000	375,000
Structural Repairs - Public rights of way	118,091	118,091	118,091	118,091
Surveys and Closures - Public rights of way	90,000	90,000	90,000	90,000
Ash Dieback/Dangerous Trees works	200,000	100,000	100,000	100,000
Grounds and Cleansing PSPO implementation	45,000	0	0	0
Depots – Feasibility works: Transport Depot South of County	150,000	0	0	0
Infrastructure & Transport Schemes	6,144,740	4,204,740	4,204,740	4,204,740
Capital Region City Deal	0	730,200	730,200	730,200
Solar Farm development costs	150,000	0	0	0
Regeneration Schemes	150,000	730,200	730,200	730,200
Disabled Facilities Grant	900,000	900,000	900,000	900,000
Access for all - Schools	50,000	50,000	50,000	50,000
Access For All	200,000	250,000	250,000	250,000
Inclusion Schemes	1,150,000	1,200,000	1,200,000	1,200,000

ICT Desktop replacement	150,000	260,000	260,000	260,000
Network Estate replacement	50,000	50,000	50,000	50,000
SRS capital reserve contribution	61,000	61,000	61,000	61,000
Ransomware & security software	42,000	42,000	42,000	42,000
ICT Schemes	303,000	413,000	413,000	413,000
Vehicle Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Capitalisation Directive	3,357,500	507,500	507,500	507,500
Capitalisation Directive	3,357,500	507,500	507,500	507,500
Fixed Asset Disposal Costs	50,000	50,000	50,000	50,000
Match Funding of Grant applications	500,000	500,000	500,000	500,000
Unallocated funding	0	20,000	20,000	20,000
Other Schemes	550,000	570,000	570,000	570,000
Total Expenditure	35,241,896	15,507,287	11,355,490	11,355,490
Funding	£	£	£	£
Supported Borrowing	(2,436,000)	(2,436,000)	(2,436,000)	(2,436,000)
Unsupported Borrowing	(10,553,533)	(4,285,113)	(3,846,990)	(3,846,990)
Grants & Contributions	(16,351,863)	(6,215,674)	(2,502,000)	(2,502,000)
Reserve Funded	(253,000)	(103,000)	(103,000)	(103,000)
Capital Receipts	(4,147,500)	(967,500)	(967,500)	(967,500)
Vehicle Lease Financing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Total Funding	(35,241,896)	(15,507,287)	(11,355,490)	(11,355,490)
(Surplus) / Deficit	0	0	0	0

SUBJECT:	DIARY OF MEETINGS FOR 2024/25
MEETING:	County Council
DATE:	29th February 2024
DIVISION/WARDS AFFECTED:	N/A

1. PURPOSE:

To approve the diary of meetings for 2024/25.

2. RECOMMENDATIONS:

That the diary of meetings for 2024/25, as attached, be approved.

3. KEY ISSUES:

3.1 Some Committees set their own dates during the year eg SAC, Appointment of LEA Governors Committee, Corporate Parenting Panel and these will be added to the diary in due course.

3.2 The diary includes, for information only, dates of meetings for political groups and outside bodies that are not agreed by Council and are subject to change by the organising bodies.

3.3 As per previous years, as far as is practicable meetings have not been scheduled during school holidays as requested by Councillors. Occasionally there is an inevitable need to hold some meetings during school holidays so that the diary does not become too congested and avoids clashes with other meetings and priorities, but these have been kept to a minimum.

4. REASONS:

The Council calendar needs to be approved annually to ensure appropriate governance arrangements are in place for the year and enables Members and officers to forward plan effectively.

5. RESOURCE IMPLICATIONS:

None as a direct result of this report.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

There are no sustainable development or equality impacts arising from this report.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

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

8. CONSULTEES:

Political Group Leaders
Committee Chairs
Scrutiny Manager

SLT

9. BACKGROUND PAPERS:

None.

10. AUTHOR:

John Pearson, Local Democracy Manager

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CALENDAR OF MEETINGS

1 MAY 2024 - 1 MAY 2025

MAY, 2024				
Monday	Tuesday	Wednesday	Thursday	Friday
		1 8.15 am Children and Young People Appointment of Local Authority Governors Committee	2 9.15 am Planning - Delegated Panel Meeting 2.00 pm MOVED - Governance and Audit Committee	3
6	7 9.00 am Planning Site Visits	8 2.00 pm Planning Committee 5.00 pm Individual Cabinet Member Decisions	9	10
Page 146	14 10.00 am PROVISIONAL - Performance and Overview Scrutiny Committee	15 5.00 pm PROVISIONAL - Cabinet	16 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 2.00 pm PROVISIONAL - County Council AGM	17
20	21 10.00 am PROVISIONAL - Licensing and Regulatory Committee	22 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	23 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 10.00 am PROVISIONAL - Place Scrutiny Committee	24
27 SCHOOL HOLIDAYS	28	29	30 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	31

JUNE, 2024				
Monday	Tuesday	Wednesday	Thursday	Friday
3 9.00 am PROVISIONAL - Planning Site Visits	4 2.00 pm PROVISIONAL - Planning Committee	5 5.00 pm PROVISIONAL - Cabinet	6 9.00 am PROVISIONAL - Children and Young People Appointment of Local Authority Governors Committee 2.00 pm PROVISIONAL - Governance and Audit Committee	7
10 10.00 am PROVISIONAL - Standards Committee	11 10.00 am PROVISIONAL - People Scrutiny Committee	12 3.00 pm PROVISIONAL - Standing Advisory Council for Religion, Values and Ethics (SAC) 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	13 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	14
17 9.00 am PROVISIONAL - Public Services Scrutiny Committee	18 10.00 am PROVISIONAL - Performance and Overview Scrutiny Committee	19	20 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 12.30 pm Welsh Church Fund 2.00 pm PROVISIONAL - County Council	21
24	25 11.00 am PROVISIONAL - Corporate Parenting Panel	26 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	27 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	28

JULY, 2024				
Monday	Tuesday	Wednesday	Thursday	Friday
1 9.00 am PROVISIONAL - Planning Site Visits 2.00 pm PROVISIONAL - Wye Valley AONB Joint Advisory Committee	2 2.00 pm PROVISIONAL - Planning Committee	3 5.00 pm PROVISIONAL - Cabinet	4 10.00 am PROVISIONAL - Scrutiny Chairs Meeting	5
8 10.00 am PROVISIONAL - Joint Advisory Group 2.00 pm PROVISIONAL - Democratic Services Committee	9 10.00 am PROVISIONAL - Licensing and Regulatory Committee	10 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	11 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 10.00 am PROVISIONAL - Place Scrutiny Committee	12
15 11.00 am PROVISIONAL - Monmouthshire Farm School Endowment Trust 1309 148	16 10.00 am PROVISIONAL - Performance and Overview Scrutiny Committee	17 2.00 pm PROVISIONAL - Governance and Audit Committee	18 9.00 am PROVISIONAL - Children and Young People Appointment of Local Authority Governors Committee 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 2.00 pm PROVISIONAL - County Council	19
22 SCHOOL HOLIDAYS	23 10.00 am PROVISIONAL - People Scrutiny Committee	24 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	25 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	26
29	30	31		

AUGUST, 2024				
Monday	Tuesday	Wednesday	Thursday	Friday
			1 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	2
5 9.00 am PROVISIONAL - Planning Site Visits	6 2.00 pm PROVISIONAL - Planning Committee	7 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	8	9
12	13	14	15 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	16
19	20	21 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	22 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	23
26	27	28	29 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	30

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SEPTEMBER, 2024				
Monday	Tuesday	Wednesday	Thursday	Friday
2	3	4 5.00 pm PROVISIONAL - Cabinet	5 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 2.00 pm PROVISIONAL - Governance and Audit Committee	6
9 9.00 am PROVISIONAL - Planning Site Visits	10 2.00 pm PROVISIONAL - Planning Committee	11 3.00 pm PROVISIONAL - Standing Advisory Council for Religion, Values and Ethics (SAC) 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	12	13
16 10.00 am PROVISIONAL - Standards Committee	17 10.00 am PROVISIONAL - Licensing and Regulatory Committee	18	19 9.00 am PROVISIONAL - Children and Young People Appointment of Local Authority Governors Committee 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 12.30 pm PROVISIONAL - Welsh Church Fund 2.00 pm PROVISIONAL - County Council	20
23	24 10.00 am PROVISIONAL - People Scrutiny Committee	25 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	26 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 10.00 am PROVISIONAL - Place Scrutiny Committee	27
30 9.00 am PROVISIONAL - Planning Site Visits				

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OCTOBER, 2024				
Monday	Tuesday	Wednesday	Thursday	Friday
	1 2.00 pm PROVISIONAL - Planning Committee	2 5.00 pm PROVISIONAL - Cabinet	3	4
7 10.00 am PROVISIONAL - Joint Advisory Group	8 6.00 pm PROVISIONAL - Corporate Parenting Panel	9 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	10 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 10.00 am PROVISIONAL - Scrutiny Chairs Meeting	11
14 10.00 am PROVISIONAL - Public Services Scrutiny Committee 12.00 pm PROVISIONAL - Democratic Services Committee	15 10.00 am PROVISIONAL - Performance and Overview Scrutiny Committee	16	17 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 2.00 pm PROVISIONAL - Governance and Audit Committee	18
21 11.00 am PROVISIONAL - Monmouthshire Farm School Endowment Trust	22 10.00 am PROVISIONAL - Licensing and Regulatory Committee	23 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	24 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 2.00 pm PROVISIONAL - County Council	25
28 SCHOOL HOLIDAYS	29	30	31 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	

NOVEMBER, 2024				
Monday	Tuesday	Wednesday	Thursday	Friday
				1
4 9.00 am PROVISIONAL - Planning Site Visits 2.00 pm PROVISIONAL - Wye Valley AONB Joint Advisory Committee	5 2.00 pm PROVISIONAL - Planning Committee	6 5.00 pm PROVISIONAL - Cabinet	7 10.00 am PROVISIONAL - Place Scrutiny Committee	8
11	12 10.00 am PROVISIONAL - People Scrutiny Committee	13 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	14 9.00 am PROVISIONAL - Children and Young People Appointment of Local Authority Governors Committee 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	15
18	19 10.00 am PROVISIONAL - Performance and Overview Scrutiny Committee	20	21 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	22
25	26	27 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	28 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 2.00 pm PROVISIONAL - Governance and Audit Committee	29

DECEMBER, 2024				
Monday	Tuesday	Wednesday	Thursday	Friday
2 9.00 am PROVISIONAL - Planning Site Visits	3 2.00 pm PROVISIONAL - Planning Committee	4 5.00 pm PROVISIONAL - Cabinet	5 10.00 am PROVISIONAL - Place Scrutiny Committee	6
9 10.00 am PROVISIONAL - Public Services Scrutiny Committee	10 10.00 am PROVISIONAL - Licensing and Regulatory Committee	11	12 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 12.30 pm PROVISIONAL - Welsh Church Fund 2.00 pm PROVISIONAL - County Council	13
16 9.00 am PROVISIONAL - Standards Committee	17	18 3.00 pm PROVISIONAL - Standing Advisory Council for Religion, Values and Ethics (SAC) 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	19 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	20
23 SCHOOL HOLIDAYS	24	25	26	27
30	31			

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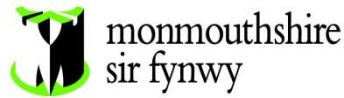
JANUARY, 2025				
Monday	Tuesday	Wednesday	Thursday	Friday
		1	2 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	3
6	7	8 5.00 pm PROVISIONAL - Cabinet	9 9.00 am PROVISIONAL - Children and Young People Appointment of Local Authority Governors Committee 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	10
13 8.00 am PROVISIONAL - Planning Site Visits 2.00 pm PROVISIONAL - Democratic Services Committee	14 11.00 am PROVISIONAL - Corporate Parenting Panel 2.00 pm PROVISIONAL - Planning Committee	15 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	16 2.00 pm PROVISIONAL - Governance and Audit Committee	17
20 10.00 am PROVISIONAL - Joint Advisory Group	21 10.00 am PROVISIONAL - People Scrutiny Committee	22	23 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 2.00 pm PROVISIONAL - County Council	24
27 11.00 am PROVISIONAL - Monmouthshire Farm School Endowment Trust	28 10.00 am PROVISIONAL - Licensing and Regulatory Committee	29 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	30 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 10.00 am PROVISIONAL - Scrutiny Chairs Meeting	31

FEBRUARY, 2025				
Monday	Tuesday	Wednesday	Thursday	Friday
3 9.00 am PROVISIONAL - Planning Site Visits	4 2.00 pm PROVISIONAL - Planning Committee	5 5.00 pm PROVISIONAL - Cabinet	6 10.00 am PROVISIONAL - Place Scrutiny Committee	7
10 10.00 am PROVISIONAL - Public Services Scrutiny Committee	11 10.00 am PROVISIONAL - Performance and Overview Scrutiny Committee	12 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	13 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	14
7 page 155	18 10.00 am PROVISIONAL - People Scrutiny Committee	19	20 9.00 am PROVISIONAL - Children and Young People Appointment of Local Authority Governors Committee 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 2.00 pm PROVISIONAL - Governance and Audit Committee	21
	24 SCHOOL HOLIDAYS	25	26 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	27 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting

MARCH, 2025				
Monday	Tuesday	Wednesday	Thursday	Friday
3 9.00 am PROVISIONAL - Planning Site Visits 2.00 pm PROVISIONAL - Wye Valley AONB Joint Advisory Committee	4 2.00 pm PROVISIONAL - Planning Committee	5 5.00 pm PROVISIONAL - Cabinet	6 12.30 pm PROVISIONAL - Welsh Church Fund 2.00 pm PROVISIONAL - County Council	7
10	11 10.00 am PROVISIONAL - Performance and Overview Scrutiny Committee	12 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	13 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 2.00 pm Governance and Audit Committee	14
17 10.00 am PROVISIONAL - Standards Committee Page 156	18	19 3.00 pm PROVISIONAL - Standing Advisory Council for Religion, Values and Ethics (SAC)	20 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	21
24	25 10.00 am PROVISIONAL - Licensing and Regulatory Committee	26 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	27 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 10.00 am PROVISIONAL - Place Scrutiny Committee	28
31 9.00 am PROVISIONAL - Planning Site Visits 10.00 am PROVISIONAL - Joint Advisory Group				

APRIL, 2025				
Monday	Tuesday	Wednesday	Thursday	Friday
	1 2.00 pm PROVISIONAL - Planning Committee	2 10.00 am PROVISIONAL - People Scrutiny Committee 5.00 pm PROVISIONAL - Cabinet	3 9.00 am PROVISIONAL - Children and Young People Appointment of Local Authority Governors Committee	4
7 10.00 am PROVISIONAL - Public Services Scrutiny Committee 2.00 pm PROVISIONAL - Democratic Services Committee	8 6.00 pm PROVISIONAL - Corporate Parenting Panel	9 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	10 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 2.00 pm PROVISIONAL - County Council	11
14 SCHOOL HOLIDAYS	15	16	17 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting 10.00 am PROVISIONAL - Scrutiny Chairs Meeting	18
	22	23 5.00 pm PROVISIONAL - Individual Cabinet Member Decisions	24 9.15 am PROVISIONAL - Planning - Delegated Panel Meeting	25
28	29 10.00 am PROVISIONAL - Performance and Overview Scrutiny Committee	30		

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SUBJECT:	STANDARDS COMMITTEE – APPOINTMENT OF COMMUNITY COUNCIL MEMBER
MEETING:	COUNCIL
DATE:	29th FEB 2024
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE

- 1.1 To confirm the appointment of a Community Council member to the Council's Standards Committee.

2. RECOMMENDATIONS

- 2.1 Council approves the appointment of Mr Michael John as a Community Council Member of the Council's Standards Committee.

3. KEY ISSUES

- 3.1 The composition of the Council's Standards Committee is set out the Council's Constitution which in turn reflects the requirements set out within The Standards Committees (Wales) Regulations 2001 (as amended).
- 3.2 Regulation 15(3) states that the Standards Committee 'must include one panel member who is a member of a Community Council situated in that local authority's area.'
- 3.3 An advertising campaign was run amongst Community Councils and interviews were conducted on 24th January 2023 by a panel of current independent members and the outgoing Community Council member. Mr Michael John, Caerwent Community Councillor was selected by the panel for appointment. His appointment was approved by the Standards Committee at their meeting on 6th February 2023.
- 3.4 However, Mr John's appointment was not approved at Council as is required under the legislation and the Council's constitution. Accordingly, Council are being asked to approve his appointment now.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION

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

5. RESOURCE IMPLICATIONS

- 5.1 Standards Committee members are entitled to £210 over 4 hours and £105 up to 4 hours. The Chair of the committee is entitled to £268 for over 4 hours and £134 up to 4 hours.

James Williams
Chief Officer Law & Governance (Monitoring Officer)
jameswilliams@monmouthshire.gov.uk

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Integrated Impact Assessment document

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

<p>Name of the Officer completing the evaluation</p> <p>Phone no: 07568480177 E-mail: jameswilliams@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal:</p> <p>To appoint a community council member of the Standards Committee</p>
<p>Name of Service area</p> <p>Legal & Governance</p>	<p>Date: 29/2/24</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	<i>Consider the impact on our community in relation to this e.g. how do we engage with older and younger people about our services, access issues etc. Also consider what issues there are for employment and training.</i>	None	n/a

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Disability	<i>What issues are there are around each of the disability needs groups e.g. access to buildings/services, how we provide services and the way we do this, producing information in alternative formats, employment issues.</i>	None	N/a
Gender reassignment	<i>Consider the provision of inclusive services for Transgender people and groups. Also consider what issues there are for employment and training</i>	None	N/a
Marriage or civil partnership	<i>Same-sex couples who register as civil partners have the same rights as married couples in employment and must be provided with the same benefits available to married couples, such as survivor pensions, flexible working, maternity/paternity pay and healthcare insurance</i>	None	N/a
Pregnancy or maternity	<i>In employment a woman is protected from discrimination during the period of her pregnancy and during any period of compulsory or additional maternity leave. In the provision of services, goods and facilities, recreational or training facilities, a woman is protected from discrimination during the period of her pregnancy and the period of 26 weeks beginning with the day on which she gives birth</i>	None	N/a

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Race	<i>.Think about what the proposal will do to promote race equality with the aim of: eliminating unlawful discrimination, promoting equality of opportunity and promoting good relations between persons of different racial groups. Also think about the potential to affect racial groups differently. Issues to look at include providing translation/interpreting services, cultural issues and customs, access to services, issues relating to Asylum Seeker, Refugee, Gypsy & Traveller, migrant communities and recording of racist incidents etc</i>	None	N/a
Religion or Belief	<i>.What the likely impact is e.g. dietary issues, religious holidays or days associated with religious observance, cultural issues and customs. Also consider what issues there are for employment and training</i>	None	N/a
Sex	<i>Consider what issues there are for men and women e.g. equal pay, responsibilities for dependents, issues for carers, access to training, employment issues. Will this impact disproportionately on one group more than another</i>	None	N/a
Sexual Orientation	<i>.Consider the provision of inclusive services for e.g. older and younger people from the Lesbian, Gay and Bi-sexual communities. Also consider what issues there are for employment and training</i>	None	N/a

2. The Socio-economic Duty and Social Justice

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

	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Socio-economic Duty and Social Justice	<i>Socio-economic disadvantage can be defined as living in less favourable social and economic circumstances than others in society. Social justice is about reducing inequalities in society by working towards more equal distribution of wealth and opportunities so everyone can achieve their full potential. What evidence do you have about socio-economic disadvantage and inequalities of outcome in relation to this proposal? Will it impact disproportionately on certain groups? Can the proposals be improved to reduce inequalities of outcome?</i>	<i>None</i>	<i>N/a</i>

3. Policy making and the Welsh language.

How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<p>Policy Making</p> <p>Effects on the use of the Welsh language,</p> <p>Promoting Welsh language</p> <p>Treating the Welsh language no less favourably</p>	<p><i>1. We would like to know your views on the effects that the proposals would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?</i></p> <p><i>2. Please also explain how you believe the proposals could be improved so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language?</i></p>	N/a	N/a
<p>Operational</p> <p>Recruitment & Training of workforce</p>	<p><i>If you are advertising new posts you must carefully consider whether these roles require the ability to communicate through Welsh and English (either desirable or essential). This is especially pertinent with front line roles as more than 10 % of the population of Monmouthshire speak Welsh. Also we need to consider additional training when appointing staff that have existing Welsh language skills.</i></p>	n/a	n/a
<p>Service delivery</p>	<p>When advertising our services you must promote the fact that people can deal with the council in Welsh by phone, email, twitter,</p>	n/a	n/a



Use of Welsh language in service delivery	facebook, letters, forms, website transactions etc		
Promoting use of the language			




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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	n/a	n/a
A resilient Wales Maintain and enhance biodiversity and land, river and coastal ecosystems that support resilience and can adapt to change (e.g. climate change)	n/a	n/a
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	n/a	n/a
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	n/a	n/a
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	n/a	n/a
A Wales of vibrant culture and thriving Welsh language	n/a	n/a

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation		
A more equal Wales People can fulfil their potential no matter what their background or circumstances	n/a	n/a

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	n/a	n/a
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	n/a	n/a

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="136 480 297 507">Involvement</p> <p data-bbox="349 256 517 440">Involving those with an interest and seeking their views</p>	n/a	n/a
 <p data-bbox="136 759 297 786">Prevention</p> <p data-bbox="349 520 517 815">Putting resources into preventing problems occurring or getting worse</p>	n/a	n/a
 <p data-bbox="136 1098 297 1125">Integration</p> <p data-bbox="349 858 517 1118">Considering impact on all wellbeing goals together and on other bodies</p>	.n/a	n/a

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

	Describe any positive impacts your proposal has	Describe any negative impacts your proposal has	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	<i>Safeguarding in this context applies to both children (not yet reached 18th birthday) and vulnerable adults (over 18 who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself or herself, or unable to protect himself or herself against significant harm or serious exploitation.)</i>	.n/a	n/a
Corporate Parenting	<i>This relates to those children who are 'looked after' by the local authority either through a voluntary arrangement with their parents or through a court order. The council has a corporate duty to consider looked after children especially and promote their welfare (in a way, as though those children were their own).</i>	n/a	n/a

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

n/a

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?

N/a

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
None		

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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
	n/a		

SUBJECT:	APPOINTMENT OF MONMOUTHSHIRE LOCAL ACCESS FORUM
MEETING:	County Council
DATE:	29 February 2024
DIVISION/WARDS AFFECTED:	All Wards

1. PURPOSE:

- 1.1 To appoint members of the Monmouthshire Local Access Forum for the next 3-year period.

2. RECOMMENDATIONS:

- 2.1 That the applicants set out in Appendix 1 be appointed as members of the Monmouthshire Local Access Forum for the next 3-year period. Together with the Council's appointed member that provides a forum of 18 members.
- 2.2 That Councillor Sara Burch be appointed as the Council's member.
- 2.3 That following discussion with the forum at its first meeting to identify any under-represented interests, the appointment panel be given delegated authority to make additional appointments up to the statutory maximum of 22 members.
- 2.4 That the retiring members of the Forum be thanked for their valuable contribution.

3. KEY ISSUES:

- 3.1 The Monmouthshire Local Access Forum is a statutory body set up to provide advice to the local authority and other agencies including Natural Resources Wales on the improvement of public access to land in the area for the purposes of open-air recreation and the enjoyment of the area. These bodies have a statutory duty to have regard to relevant advice given by the Local Access Forum. The forum is required to meet at least twice a year, although it usually meets more frequently.
- 3.2 The Council, as appointing authority, is required to establish and maintain membership of the forum, of between 12 and 22 members, in accordance with regulations. The regulations only allow a term of 3 years and all members are due for re-appointment.
- 3.3 Regulation 6(1) states that the appointing authority must appoint one member (but no more than one) who is either a member or officer of the authority.
- 3.4 The regulations set out that the Council should, so far as reasonably practical, seek a fair balance between persons of different genders, race, ages, disabilities and other characteristics. The regulations also require a reasonable balance between the interests of users and the interests of owners and occupiers.

- 3.5 The member appointment panel previously established by Council has interviewed the applicants and recommended the appointment of the 17 individuals set out in Appendix 1. The panel has sought to identify individuals who can bring a wide range of interests and local connections to aid the forum's work.
- 3.6 Once appointed the forum is required to consider any specific interests felt not to be appropriately represented and ask the Council to advertise for further individuals to serve on the forum. The panel has identified that whilst there is a good range of countryside access users / activities there is under representation from landowner interests, from the Severnside / Usk areas and from tourism business, and so a further round of targeted recruitment will be proposed to the forum.
- 3.7 There is sufficient headroom up to the statutory maximum of 22 members to improve the forum's balance and it is recommended that the appointment panel be given delegated authority to make any further appointment.

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

- 4.1 The County Council is required by regulations and guidance to seek to achieve a well-balanced membership reflecting all relevant interests, made up of individuals who meet the suggested criteria for appointment. In particular this includes that the membership of the forum achieves a reasonable balance between the interests of users of countryside access and of owners and occupiers of access land or land over which local rights of way exist and must have regard to the need to ensure, so far as is reasonably practicable, a fair balance between persons of different genders, races, ages, disabilities and other characteristics.
- 4.2 Once in place the forum has the opportunity to review the interests reflected and to identify to the appointing authority if specific interests are under-represented and seek assistance in finding further members to reflect this. (See Appendix 2)

5. OPTIONS APPRAISAL

- 5.1 The County Council is required to maintain a Local Access Forum under the Countryside and Rights of Way Act 2000 and as Appointing Authority to appoint members in compliance with the Countryside Access (Local Access Forums) (Wales) Regulations 2001. Maintaining a Local Access Forum is also now a qualifying requirement for receiving the full allocation of Access Improvement Grant from Welsh Government.

6. EVALUATION CRITERIA

- 6.1 The appointment and administration of the forum is assessed against the statutory requirements and the published guidance.

7. REASONS:

7.1 To meet the requirements of the Countryside Access (Local Access Forums) (Wales) Regulations 2001.

8. RESOURCE IMPLICATIONS:

8.1 Members of the Local Access Forum can claim reasonable expenses from the County Council in respect of meetings

9. CONSULTEES:

Cabinet, SLT
Chief Officer Law & Governance
Chief Officer Customer, Culture & Wellbeing

10. BACKGROUND PAPERS:

Appendix 1: Proposed Members
Appendix 2: Equality and Future Generations Evaluation
Local Access Forum Guidance 1: CCW/WAG

11. AUTHOR:

Matthew Lewis, Environment and Culture Manager, MonLife

12. CONTACT DETAILS:

Tel: 01633 644855
E-mail: matthewlewis@monmouthshire.gov.uk

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Appendix 1 Monmouthshire LAF Proposed Members

	Name	Summary of Interests / Links	Area	New member / previous LAF member
1	Anne Underwood	Former horse rider and now British Horse Society area representative. Previous chair of the LAF.	Newport / South Monmouthshire	Previous
2	Anthea Fairey	Chair of the Friends of Castle Meadows, supporting the management of the site, volunteer and educational activity. Interest in education and supporting young people to access the countryside	Abergavenny	Previous
3	Barbara Heys	Walker in the Wye Valley. Links with the WI, Llandogo Village Produce Association and GWT.	Llandogo	New
4	Bethany Handley	Disability activist and wheelchair user. Experience of auditing and promoting routes for people with mobility impairments and links with disability groups and campaigns.	Monmouth	New
5	Huw Watkins	Experience of countryside access issues gained during former police career. Member of Trail Rider's Fellowship and the Auto Cycle Union and has links with local groups.	Abergavenny	New
6	Ian Mawdsley	Vice chair of Wye Valley Community Council and a member of the MCC/Community Councils Wye Valley Villages Group (leading on sustainable transport). He walks and canoes. Trustee of GWT.	Llandogo	New
7	Irene Brooke	Farms in the Wye Valley Previous deputy chair of the LAF.	Devauden	Previous
8	Jack Thurston	Chair of Abergavenny Cycling Group and walks cycles and swims. He has been involved in active travel mapping and promotion locally and in the Senedd.	Abergavenny	New
9	John Askew	The local representative of GLASS (The Green Lane Association) and has previously assisted on developing a voluntary scheme. Links to the 4x4 fraternity.	Monmouthshire	Previous
10	Kelvin Varney	Rights of way officer for South Wales for the Trail Riders Fellowship and a member of GLASS. He also walks and cycles, and volunteers.	Monmouthshire	New
11	Phillip Allsopp	Founder of Lanvapley Walking Group and an MCC Pathcare volunteer.	Abergavenny	New
12	Philip Mundell	Steering Group member of Chepstow Walkers are Welcome, volunteer walk leader Chepstow Walking Festival, MCC Pathcare Volunteer and Chepstow Walk for Health leader. Interests active walking promotion and volunteering.	Chepstow	Previous
13	Rhys Wynne-Jones	Employed by Ramblers Cymru and currently project lead for the joint MCC/Ramblers "Paths for Communities Project" which is promoting voluntary involvement in rights of way in Magor and Undy, Usk and Monmouth. Interest in supporting access for disadvantaged communities.	Monmouthshire	New

14	Rupert Barry	Off-road cyclist and guide, but also walks swims, paddleboards and runs. Involved with Trash Free Trails. He works for Forestry England in communications.	Monmouth	New
15	Sallie Roderick	Recently established the Llanishen Area Public Rights of Way Group. A public health background and interest in identifying and overcoming barriers to individuals gaining the health benefits of countryside access.	Llanishen	New
16	Shan Lewis	Interest in volunteering, healthy lifestyles and meeting diverse needs. Volunteering links in Abergavenny.	Abergavenny	Previous
17	Terence Mead	MCC countryside volunteer, Pathcare volunteer and has links to Gwent Wildlife Trust. He has run stone walling courses.	Abergavenny	New



<p>Name of the Officer Matthew Lewis Phone no: 01633 644855 E-mail: matthewlewis@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>APPOINTMENT OF MONMOUTHSHIRE LOCAL ACCESS FORUM</p> <p>To appoint members of the Monmouthshire Local Access Forum for the next 3-year period.</p>
<p>Name of Service area: MonLife</p>	<p>Date 14 February 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.

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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 County Council is required by Regulations and guidance to achieve a well-balanced membership reflecting all relevant interests, and to ensure, so far as is reasonably practicable, a fair balance between persons of different genders, races, ages, disabilities and other characteristics.	None	After its initial meeting the Forum can ask the County Council, as appointing authority, to advertise for further individuals to serve on the forum reflecting any specific interests felt not to be represented and the report's recommendation facilitate this opportunity. The appointment panel has considered this within its recommendations and identified those areas where additional representation could be sought after discussion with the forum.
Disability	As above	None	As above
Gender reassignment	As above	None	As above

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	As above	None	As above
Pregnancy or maternity	As above	None	As above
Race	As above	None	As above
Religion or Belief	As above	None	As above
Sex	As above	None	As above
Sexual Orientation	As above	None	As above

The Socio-economic Duty and Social Justice

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

	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Socio-economic Duty and Social Justice	Positive through community involvement / volunteering	None	

2. Policy making and the Welsh language.



How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
Policy Making Effects on the use of the Welsh language, Promoting Welsh language Treating the Welsh language no less favourably			
Operational Recruitment & Training of workforce			
Service delivery Use of Welsh language in service delivery Promoting use of the language	The recruitment process literature / forms etc. were all be bilingual, as are the forum's annual reports		




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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Countryside access contribute towards jobs and the economy and provide opportunities for sustainable transport benefits by improving walking and cycling opportunities, social and health benefits by working more proactively with communities and volunteers and to improve tourism and benefits to local businesses.	Seek to ensure the Local Access Forum which can provide guidance on these matters is as broadly based with a good spread of expertise as possible
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Appropriate management of the countryside access network, as advised by the Local Access Forum, can support sustainable management of biodiversity interests	
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The Local Access Forum can advise on management of rights of way and countryside sites to reduce barriers to residents using the outdoors and to achieve a network of well promoted, useable paths, to help residents improve their health and well-being, including helping supporting working with community and other volunteer groups who can play an important part in identifying improvements, leading health walks, helping with maintenance and promotion of the network.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	A strong Local Access Forum can help maximise opportunities for engagement with a range of key stakeholders.	
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Neutral	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	The skills and knowledge of Local Access Forum members can help maximise opportunities for engagement.	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	A strong Local Access Forum can help promote countryside access to others so that they can maximise opportunities for volunteering and participation a wide range of outdoor activities	

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The Local Access Forum will contribute to the delivery of the Countryside Access Improvement plan, which establishes a long-term planning and management framework.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The skills and knowledge of Local Access Forum members can help maximise opportunities for community and volunteer engagement and future partnerships</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="136 480 297 507">Involvement</p> <p data-bbox="349 256 517 440">Involving those with an interest and seeking their views</p>	<p data-bbox="544 256 1317 440">The core function of the Local Access Forum is to provide advice to the local authority and other agencies including Natural Resources Wales on the improvement of public access to land in the area for the purposes of open-air recreation and the enjoyment of the area.</p>	
 <p data-bbox="136 759 297 786">Prevention</p> <p data-bbox="349 520 517 815">Putting resources into preventing problems occurring or getting worse</p>	<p data-bbox="544 520 1317 584">The Local Access Forum can provide advice and support to assist prioritisation of resources.</p>	
 <p data-bbox="136 1098 297 1125">Integration</p> <p data-bbox="349 858 517 1118">Considering impact on all wellbeing goals together and on other bodies</p>	<p data-bbox="544 858 1317 986">The Local Access Forum can provide advice and support to assist countryside access management to benefit the economy, the environment and to provide the means for which the public can access our rich cultural heritage.</p>	

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

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

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

Guidance and regulations; LAF application forms, Panels interviews with LAF applicants and their recommendations

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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?

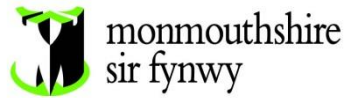
The County Council is required by Regulations and guidance to achieve a well-balanced membership reflecting all relevant interests, made up of individuals who meet the suggested criteria for appointment. This includes that the membership of the forum achieves a reasonable balance between the interests of users of countryside access and of owners and occupiers of access land or land over which local rights of way exist and must have regard to the need to ensure, so far as is reasonably practicable, a fair balance between persons of different genders, races, ages, disabilities and other characteristics. The proposed changes to the recruitment process are intended to assist in achieving this. Once in place the forum will be given the opportunity to review its composition and the interests reflected and to identify to the appointing authority if specific interests are under-represented and seek assistance in finding further members to reflect this. The appointment panel has considered this within its recommendations and identified those areas where additional representation could be sought after discussion with the forum.

8. 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
Report to Council re recruitment process, advertise for members, hold interviews etc.	Council 20 July 2023 and ongoing to Winter 2023	Environment & Culture Manager
Ask Council to ratify the panel's decisions on membership, and then instigate the new LAF	Council 29 February and new LAF to meet in March 2024	Environment & Culture Manager

9. 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.	Council 20 July 2023	20 July 2023	
2.	Council 29 February 2024		Amended to refer to panel's consideration



SUBJECT:	Agree the name of the Welsh Medium Seedling Primary School in Monmouth
MEETING:	Council
DATE:	29th February 2024
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

The purpose of the report is for Council to agree the name of the new Welsh Medium Seedling Primary School in Monmouth which is due to open in September 2024.

2. RECOMMENDATIONS:

It is recommended that Members:

- 2.1 Agree that the school should be named Ysgol Gymraeg Trefynwy, translated as Monmouth Welsh Primary School.

3. KEY ISSUES:

- 3.1 Cabinet agreed at their meeting held on the 6th September 2023 to formally approve the proposal to establish a new seedling Welsh Medium Primary School in Monmouth. This decision followed a robust statutory consultation process and the publication of statutory notices, all conducted in accordance with statutory guidance contained in the Welsh Government School Organisation Code.
- 3.2 The new Welsh Medium Primary School will provide education for children and young people from the ages of 3-11 via a seedling / growth model.
- 3.3 A seedling school is a growth model which enables the facilities and staff to be used efficiently while the school grows to its full potential. In its first year the school will have pupils in nursery, reception and potentially year 1, a year group will be added each academic year until the reception / year 1 cohort reaches year 6.
- 3.4 A new catchment area for the school has been agreed as part of the statutory consultation process and will be implemented with effect from 1st September 2024.
- 3.5 There are currently two Welsh Medium primary schools in Monmouthshire, Ysgol Gymraeg Y Fenni (translated as Abergavenny Welsh Primary School) located in the north of the county in Abergavenny and Ysgol Gymraeg Y Ffin (translated as The Border Welsh Primary School) located in the south of the county in Caldicot.

- 3.6** Whilst the name of a new school is a decision for the County Council, the Temporary Governing Body would always be consulted.
- 3.7** As part of the formal process to create the new school, the temporary governing body has been established, they have been consulted, and agree with the proposal to name the school Ysgol Gymraeg Trefynwy.
- 3.8** It is the role of the temporary governing body to appoint a headteacher and all other staff. Once a headteacher has been appointed part of their role in establishing a new school is to prepare the documentation and policies for the school. As part of this remit, work to develop the “branding” of the new school is vitally important, including the designing of school signage and logos, school uniforms etc. Evidently this work is dependent on the determination of the new school’s name.

4. OPTIONS APPRAISAL:

- 4.1** In determining the name of the new school, the following options were proposed for consideration.

Option 1: Ysgol Gymraeg Trefynwy (translated as Monmouth Welsh Primary School)
Option 2: Ysgol Bro Mynwy (translated as Monnow Vale Welsh Primary School)
Option 3: Ysgol Glannau'r Gwy (translated as Banks of the River Wye Welsh Primary School)

- 4.2** The preferred option is Ysgol Gymraeg Trefynwy, the main reason for this is because the school is to serve Monmouth town and the wider community which includes Usk and Raglan. Consideration was given to the fact that the school is already known unofficially as Ysgol Gymraeg Trefynwy and this name was used for the purposes of the school admission round.

5. REASONS:

It is the responsibility of County Council to agree the name of the new school. The agreement of the new name is an important part in establishing the culture of the new school. When Council makes its decision, this will allow the next stage of planning for the new school to begin in earnest.

6. RESOURCE IMPLCATIONS:

There are no resource implications in relation to this decision.

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

As the report deals solely with agreeing a school name, a Future Generations and Equality Impact Assessment is not considered appropriate in this instance.

8. CONSULTEES:

SLT
Cabinet

9. BACKGROUND PAPERS:
Cabinet Report 6th September 2023

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

MEETING: Council

DATE: 29 February 2024

1. PURPOSE

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

2. RECOMMENDATION

- 2.1 That Council approves the Pay Policy for the year 1st April 2024 to 31st March 2025.

3. KEY ISSUES

- 3.1 Monmouthshire County Council is part of the nationally negotiated and agreed pay award involving the Joint National Councils (JNC) for Chief Executives and Chief Officers. It also applies the JNCs' terms and conditions.
- 3.2 As a result of the 23/24 pay negotiations between JNC and Trades Unions:
- a. the individual basic salaries of all officers within the scope of the JNC for Chief Executives of Local Authorities increased by 3.5% with effect from 1 April 2023.
 - b. the individual basic salaries of all officers within the scope of JNC for Chief Officers of Local Authorities increased by 3.5% with effect from 1 April 2023.
 - c. the individual basic salaries of all officers within the scope of JNC 'Green Book' terms and conditions increased by £1925 (for SCP 2-43) and 3.88% (for SCP 44-51), with effect from 1 April 2023
 - d. the individual basic salaries of all teachers within the scope of the School Teachers Pay & Conditions Document increased by 5% with effect from 1 September 2023.
- 3.3 The legal duty to publish a pay policy is set out in s38 of the Localism Act 2011. In providing this report to Council to note and making the report available MCC is satisfying that legal requirement. The policy covers the requirements of the legislation including:

- a. information in relation to pay bands (and salary information) which apply as at 1 April 2023 for the Chief Executive Officer, Chief Officers and Local Government Employees (LGE);
 - b. MCC's pay spine and grading structure.
 - c. updated information in relation to the pension contributions.
- 3.4 The policy is underpinned by the Single Status Agreement signed as a collective agreement with the Trades Unions on 2nd December 2010 and other nationally agreed terms and conditions for employees of the Council.
- 3.5 This is the thirteenth publication of the policy.

4. OPTIONS APPRAISAL

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

5. EVALUATION CRITERIA

- 5.1 This report is a statutory requirement.

6. REASONS

- 6.1 The Council has a statutory requirement under s38 of the Localism Act 2011 to prepare a pay policy statement on an annual basis. The statement needs to be in place by 31st March each year for the following financial year. The proposed Pay Policy will ensure compliance with this legislation.

7. RESOURCE IMPLICATIONS

- 7.1 There are no direct financial implications arising from the adoption of the pay policy statement.
- Pay costs will be incorporated into the 2024/25 budget, and this will include an assumption made of the expected impact of any future national pay awards that may impact the Council's pay costs. The extent that any more local arrangements or enhancements having been agreed have been undertaken within the Authority's decision-making processes as outlined in the constitution.

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

- 8.1 This report is a statutory requirement.

9. CONSULTEES

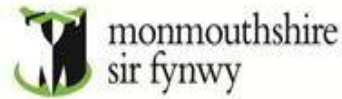
Chief Executive
Head of Finance
Legal
Monitoring Officer
GMB
UNISON

10 BACKGROUND PAPERS

None

11.AUTHOR Matt Gatehouse Chief Officer, People, Performance & Partnerships
MatthewGatehouse@monmouthshire.gov.uk

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MONMOUTHSHIRE COUNTY COUNCIL PAY POLICY 2024

1. INTRODUCTION

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

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

Monmouthshire County Council recognises that pay is not the only means of rewarding and supporting employees and it offers a wider range of benefits, e.g., flexible working, access to learning, and a wide range of family friendly policies and workplace benefits.

It is important that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market.

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

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

2. LEGISLATION

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

The Localism Act requires local authorities to develop and make public their pay policy on all aspects of Chief Officers remuneration (including when they cease to hold office), and

that of the 'lowest paid' in the local authority. It also explains the relationship between the remuneration for Chief Officer and other groups of employees. The Act and supporting guidance provides details of matters that must be included in this statutory pay policy, but also emphasises that each local authority has the autonomy to take its own decisions on pay.

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

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

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

3. SCOPE AND DEFINITIONS

This Pay Policy includes-

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

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

The Chief Executive Officer.

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

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

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

- Chief Officer, Communities & Place
- Chief Officer, People, Performance & Partnerships
- Chief Officer, Customer, Culture & Wellbeing

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

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

- Head of Achievement & Attainment
- Head of Inclusion
- Head of Place-making, Regeneration, Highways & Flooding
- Head of Enterprise & Community Animation
- Head of Economy, Employment & Skills
- Head of Decarbonisation, Transport & Support Services
- Head of Finance
- Head of Information, Security & Technology
- Chief Information Security Officer
- Head of Public Protection
- Head of Planning
- Head of Adult Services
- Head of Children's Services
- Head of Neighbourhood Services
- Head of Business Transformation (post-holder currently seconded to CCR)

Strategic Leadership Team

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

Chief Executive

Deputy Chief Executive and Chief Officer, Resources

Chief Officer, Children & Young People

Chief Officer, Communities & Place

Chief Officer, Social Care & Health

Chief Officer, Law & Governance

Chief Officer People, Performance & Partnerships

Chief Officer, Customer, Culture & Wellbeing

Gender make-up: 6 male; 2 female

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

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

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

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

Monmouthshire County Council’s grading structure has 13 grades with 5 increments in ten of the grades, 3 increments in two of the grades and 4 increments in one of the grades. Grades span across SCP 2 - 51 with associated salaries from £22,366 (SCP 2) to £60,340 (SCP 51). More information about the GLPC and the grades can be found in the Council’s SINGLE STATUS Collective Agreement.

Appendix One: NJC (Green Book Local Government Employees LGE) pay scales effective 1 April 2023 – 31 March 2024.

Apprentices

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

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

The Chief Executive is appointed by Council. The chief executive is selected on merit, against objective criteria following a public advertisement and works closely with Elected Members to deliver the aims of the local authority.

The local authority is responsible for a wide range of services, employing approximately 4,000 employees.

The remuneration for the Chief Executive Officer is a local grade established following an analysis of the degree of responsibility in the role and market rates at the time the post was last advertised (2009) and approved by Council. The salary for the Chief Executive is £128,008 (effective 1 April 2023). The individual basic salaries of all officers within the scope of the JNC for Chief Executives of Local Authorities increased by 3.5% with effect from 1 April 2023. The pay agreement covers the period 1 April 2023 to 31 March 2024.

There are no additional bonus, performance, honoraria or ex gratia payments. The salary is subject to nationally agreed pay rises for JNC for local authority Chief Executive

Officers. In Monmouthshire County Council, the role of the Electoral Registration Officer and Returning Officer is held by the Chief Executive. The fee for parliamentary, Welsh Government, Police and Crime Commissioner Elections and all referenda are set by legislation. Local Authorities have the discretion to set the fee for local elections. In the Council, the fee for local elections is set in line with the fee agreed for the Welsh Government elections.

The Independent Remuneration Panel for Wales (IRP)

Local Government (Democracy) (Wales) Act 2013 amended the Local Government (Wales) Measure 2011 by inserting Section 143A. This requires that any qualifying relevant authority that intends to change the remuneration of its Chief Executive must consult the Independent Remuneration Panel for Wales (IRP), unless the change is in keeping with changes applied to other officers. Section 143A also enables the IRP to take a view on anything in the Pay Policy Statement of a local authority that relates to the remuneration of the Chief Executive.

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

Monmouthshire County Council employs Chief Officers under Joint National Council (JNC) for chief officers’ terms and conditions, which are incorporated in their contracts. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises, and this Council will therefore pay these as and when determined in accordance with contractual requirements. The individual basic salaries of all officers within the scope of JNC for Chief Officers of Local Authorities increased by 3.5% on each pay point with effect from 1 April 2023. The pay agreement covers the period 1 April 2023 to 31 March 2024. All current salaries within this range are as follows (effective 1 April 2023):

POST	RANGE	SALARY
Chief Executive	N/A	£128,008
Deputy Chief Executive & Chief Officer, Resources (& Section 151 Officer)	Band A+ Points 1-3	£98,394 £99,680 £100,965
Chief Officer, Children & Young People (CYP) Chief Officer, Communities & Place Chief Officer, Social Care & Health (SCH) Chief Officer Law & Governance (& Monitoring)	Band A: Points 1 – 4	£90,683 £91,967 £93,252 £94,538

Officer & Head of Democracy)		
Chief Officer, People, Performance & Partnerships Chief Officer, Customer, Culture & Wellbeing Head of Finance Head of Adult Services Head of Children's Services Head of Achievement & Attainment Head of Service, Inclusion (temporary post) Head of Enterprise & Community Animation Head of Place-making, Regeneration, Highways & Flooding Head of Decarbonisation, Transport & Support Services Head of Neighbourhood Services	Band B: Points 1 – 4	£79,114 £80,399 £81,684 £82,970
Head of Public Protection Head of Information, Security & Technology	Band C: Points 1 – 4	£68,188 £70,759 £73,330 £75,901
Head of Planning Chief Information Security Officer Head of Economy, Employment & Skills	Band D: Points 1-3	£61,119 £63,690 £66,261

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

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

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

Monmouthshire County Council is the 'host' local authority for the employment of the Cardiff Capital Region City Deal – Programme Director. This appointment is on a permanent basis on a salary of £124,696 per annum (effective 1 April 2023), on JNC chief officer terms and conditions of employment. This post is being hosted by Monmouthshire County Council on behalf of the City Deal Partnership and is wholly funded by the City Deal Partnership. Under the Local Authorities (Standing Orders) (Wales) Regulations 2006, as amended in 2014, this post has been reported and approved by Council and has been the subject of a referral to the Independent Remuneration Panel.

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

Operational Managers are those who fall within the definition of Deputy Chief Officer but who are paid on JNC terms and conditions rather than Chief Officers' terms and conditions. Their salaries span from Grades I – M, with the lowest being SCP 31 (£39,186) and the highest being SCP 51 (£60,340). The individual basic salaries of all officers within the scope of JNC 'Green Book' terms and conditions increased by £1925 (for SCP 2-43) and 3.88% (for SCP 44-51), with effect from 1 April 2023. The pay agreement covers the period 1 April 2023 to 31 March 2024.

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

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

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

- Educational Inspectors and Advisers
- Educational Psychologists

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

Teachers' Pay Policy – the Teachers pay Policy provides a framework for making decisions on Teachers' pay. It has been developed to comply with the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been the subject of consultation with teaching trade unions. A model Policy is provided to all schools each year with a recommendation from the Council that the Governing Body adopt it and publishes it on the school's website. The individual basic salaries of all teachers within the scope of the School Teachers Pay & Conditions Document (STPCD) increased by 5% with effect from 1 September 2023. The pay agreement covers the period 1 September 2023 to 31 August 2024.

9. INCREMENTAL PROGRESSION

For employees on JNC terms and conditions of employment, the 'Green Book', incremental progression is automatic. Increments are normally awarded on 1 April each year. Where Chief Officers and Heads of Service have incremental pay grades, progression is normally on 1 April each year.

10. RECRUITMENT - SALARY ON APPOINTMENT

Recruiting and retaining our most talented colleagues is important to us. The Council achieves fair selection through transparent, equitable and non-discriminatory policies and practices that enable the fair treatment of applicants as well as demonstrating a broader commitment to the principles of safeguarding and equality and diversity.

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

11. PAY REVIEW – ALL EMPLOYEES

All pay is reviewed in line with the national pay awards negotiated for the cost of living increases when these occur.

12. MARKET SUPPLEMENTS

It is recognised that there will be exceptional occasions where the market rate for certain key jobs is higher than that provided for by the new pay and grading structure. In these circumstances, the grading of the post will be reviewed in accordance with the Market Forces Policy.

13. ADDITIONAL PAYMENTS – JNC 'GREEN BOOK' EMPLOYEES

Additional payments are made to this employee group as detailed in Monmouthshire County Council's Local Single Status Agreement. The types of additional payments made include-

- Weekend Working payments are made for Saturday (time and a quarter) and Sunday (time and a half).
- Bank Holiday – Paid at double time (JNC Bands A-F) or plain time plus a day off in lieu (Band G and above).
- Night Workers – Employees who work night shifts between the hours of 10.00 pm and 6.00 am are paid time and a third.
- Overtime can be paid for employees who are requested to work in excess of 37 hours and who are paid on JNC Bands A to F.

Examples of other payments that could be made are first aid allowance, and relocation payments. MCC does not reimburse the payment of professional registration or subscription fees, for any employee/group of employees.

14. ADDITIONAL PAYMENTS

- Travel - business mileage incurred by an employee is refunded at the HMRC rate, in line with our Travel & Reimbursement Policy.
- Relocation – Monmouthshire County Council may provide financial assistance to new recruits as part of the employment package under the terms of our Relocation Policy.
- Returning Officer Fees – the appointment of Electoral Registration Officer is required by S8 of the Representation of the People Act 1983 and the appointment of Returning officer by S35 of the Representation of the People Act 1983.
- In Monmouthshire County Council, the role of the Electoral Registration Officer and Returning Officer is held by the Chief Executive Officer. The fee for parliamentary, European Union, Welsh Government, Police and Crime Commissioner Elections and all referenda are set by legislation. Local Authorities have the discretion to set the fee for local elections. In the Council the fee for local elections is set in line with the fee agreed for the Welsh Government elections.

15. HONORARIA AND ACTING UP PAYMENTS

Monmouthshire County Council has a policy for an additional payment to be made where an employee acts up into a post at a higher level of pay or where they undertake additional duties on a temporary basis. The Honoraria Policy is applicable to all employees (except teaching employees).

16. MULTIPLIERS

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Local Authority's workforce.

The multiples of pay for Monmouthshire County Council are as follows-

- Multiple between lowest paid FTE employee and CEO is 6:1 (same as previous year)

- Multiple between lowest paid FTE employee and average chief officer is 3:1 (4:1 previous year)
- Multiple between the median FTE employee and CEO is 4:1 (5:1 previous year)
- Multiple between the median FTE employee and the average chief officer is 2:1 (3:1 previous year)

17. PAYMENTS/CHARGES AND CONTRIBUTIONS

All Monmouthshire County Council employees (except teachers) are entitled to join the Local Government Pension Scheme (LGPS) which is offered by the Local Government Employers. If employees are eligible, they will automatically become a member of the scheme under the auto enrolment provisions (to join they must have a contract for at least 3 months duration and be under the age of 75).

Employees can decide to opt out of the scheme within one month of auto enrolment. The benefits and contributions payable under the pension fund are set out in the LGPS regulations. All employees who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table:

Local Government Pension Scheme deduction percentages (01/04/2023)

Contribution table 2023/24			
Band	Actual pensionable pay for an employment	Contribution rate for that employment	
		Main section	50/50 section
1	Up to £16,500	5.50%	2.75%
2	£16, 501 to £25,900	5.80%	2.90%
3	£25,901 to £42,100	6.50%	3.25%
4	£42,101 to £53,300	6.80%	3.40%
5	£53,301 to £74,700	8.50%	4.25%
6	£74,701 to £105,900	9.90%	4.95%
7	£105,901 to £124,800	10.50%	5.25%
8	£124,801 to £187,200	11.40%	5.70%
9	£187,201 or more	12.50%	6.25%

18. DISCRETIONARY PAYMENTS

The policy for the award of any discretionary payments is the same for all employees regardless of their pay level. The following arrangement applies for redundancy payments under regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

- Payment of an overall lump sum of 1.7 times the statutory redundancy payment multiplier based on actual weeks' pay up to a limit of Spinal Column Point 43. This is payable to employees (not those on teaching terms and conditions of employment) made redundant with 2 or more years local government service regardless of their age, subject to them being eligible to join the pension scheme. This is in accordance with our (corporate) Protection of Employment Policy.
- Monmouthshire County Council introduced the real Living Wage (RLW) in April 2014. Monmouthshire County Council isn't accredited for the Living Wage, and it is optional for it to apply any Living Wage pay increases when they arise.

19. DECISION MAKING

Making or confirming the appointment of the Chief Executive and other Chief Officers is a function of Council. Details of exit payments will be approved by the relevant Chief Officer (and Chief Executive for settlement agreements) in consultation with the Cabinet Member and must have robust business cases justifying departure & representing value for money. Any exit payment in excess of £95,000 will be reported to Full Council.

20. REVIEW OF THE POLICY

This Pay Policy outlines the current position in respect of pay and reward within the Council and it will be reviewed over the next year to ensure it meets the principles of fairness, equality, accountability, and value for money for the citizens of Monmouthshire. The Policy will be reviewed annually and reported to Council in line with the requirement of the Localism Act 2011. In November 2021, Welsh Government published guidance 'Pay Accountability within Local Government'. When reviewing the Pay Policy for 2024/25, much of the guidance has been taken into consideration.

Any further necessary amendments, prior to the next annual review and following implementation of the new provisions referred to within the Local Government and Elections (Wales) Act 2021, as set out within the body of this policy can be undertaken under permitted powers pursuant to section 39 of the Localism Act 2011.

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New Pay Structure: W.E.F 1st April 2023

SCP	Pay Bands	Salary 01/04/2023	Hourly Rate	SCP	Pay Bands	Salary 01/04/2023	Hourly Rate
1		DELETED		25	G (23-27)	33945	£17.59
2	A (1-3)	22366.00	£11.59	26		34834	£18.06
3		22737.00	£11.79	27		35745	£18.53
4	B (3-5)	23114.00	£11.98	28		36648	£19.00
5		23500.00	£12.18	29	H (27-31)	37336	£19.35
6	C (5-8)	23893.00	£12.38	30		38223	£19.81
7		24294.00	£12.59	31		39186	£20.31
8		24702.00	£12.80	32		40221	£20.85
9		25119.00	£13.02	33	I (31-35)	41418	£21.47
10		25545.00	£13.24	34		42403	£21.98
11	D (9-13)	25979.00	£13.47	35		43421	£22.51
12		26421.00	£13.69	36		44428	£23.03
13		26873.00	£13.93	37	J (35-39)	45441	£23.55
14		27334.00	£14.17	38		46464	£24.08
15		27803.00	£14.41	39		47420	£24.58
16	E (14-18)	28282.00	£14.66	40		48474	£25.13
17		28770.00	£14.91	41	K (39-43)	49498	£25.66
18		29269.00	£15.17	42		50512	£26.18
19		29777.00	£15.43	43		51515	£26.70
20		30296.00	£15.70	44		52603	£27.27
21	F (19-23)	30825.00	£15.98	45	L (43-47)	53653	£27.81
22		31364.00	£16.26	46		54720	£28.36
23		32076.00	£16.63	47		55747	£28.90
24	G (23-27)	33024.00	£17.12	48		56895	£29.49
				49	M (47-51)	58044	£30.09
				50		59192	£30.68
				51		60340	£31.28

Real Living Wage*	£8.75	
Rate WEF:	£9.00	
	£9.30	
01/04/2021	£9.50	£18,333
01/04/2022	£9.90	
01/04/2023	£10.90	£19,100

by 52.143 weeks (which is 365 days divided by 7)
working week in the National Agreement 'Green Book')

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