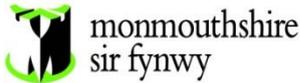


Public Document Pack



County Hall
Rhadyr
Usk
NP15 1GA

Wednesday, 25 February 2026

Notice of meeting

County Council

Thursday, 5th March, 2026 at 2.00 pm,
Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA

AGENDA

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

Item No	Item	Pages
1.	Apologies for absence	
2.	Declarations of interest	
3.	Chair's Announcement	1 - 2
4.	To confirm the minutes of the meeting held on 22nd January 2026	3 - 6
5.	Reports to Council:	
5.1.	Corporate Parenting Strategy 2025 - 2028	7 - 62
5.2.	Council Tax Resolution and Revenue and Capital Budgets for 2026/27	63 - 80
5.3.	2026/27 Capital Strategy and 2026/27 Treasury Management Strategy	81 - 134
6.	Motions to Council:	
6.1.	Submitted by County Councillor Frances Taylor That this Council join with me, in congratulating Magor Action Group on Rail on the confirmation that Magor & Undy Walkway Station will be built first, with construction currently planned for 2029; for their unwavering commitment, passion and persistence over 14 years in their campaign for a Walkway station to serve Magor with Undy. This is their Victory.	

Additionally, that this council formally lobby Transport for Wales and Network Rail for Magor & Undy Walkway station to be known as such, and for construction to commence now in line with the original Magor Action Group on Rail proposals in respect of design/layout and connection to the Hub.

Furthermore, that this council commits to the urgent work required to develop appropriate traffic management plans to support the station's success and ensure Magor with Undy retains its unique sense of place.

6.2. Submitted by County Councillor Tony Kear

This Council:

Notes the growing frustration of residents across Monmouthshire at the deteriorating state of our roads and the persistence of potholes.

Recognises the financial strain placed on families and businesses through vehicle damage and unsafe road conditions.

Recognises the ongoing decline in the condition of the county's roads and the authority's continued failure to effectively address hazardous and recurring potholes.

Considers that the administration's short-term practice of repeatedly patching and re-patching potholes delivers poor value for money and does not provide a sustainable solution

Calls for a revised proactive, preventative and more sustainable approach to road repairs

Resolves to commission an urgent and transparent review of alternative methods of road repairs including a full cost analysis.

Requests that the administration brings forward a clear action plan within six months with proposals to repair the county's highways in a more sustainable and cost-effective way.

Calls for the publication of clear and transparent performance data on highways maintenance spending and outcomes.

7. Member Questions:

7.1. From County Councillor Rachel Buckler to County Councillor Ben Callard, Cabinet Member for Resources

Following three consecutive years of substantial council tax increases, will the Cabinet Member state the total annual cost of operating County Hall, its current directorate-level utilisation and occupancy levels, and identify which departments have the lowest occupancy of County Hall?

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

A few years ago, the Council resurfaced the A48 from Parkwall roundabout to the Mathern junction and repainted the double white central hazard lines. When does the Council expect to resurface the rest of the A48 road from

	Mathern junction to the High Beech roundabout?	
7.3.	From County Councillor Lisa Dymock to County Councillor Catrin Maby, Cabinet Member for Climate Change and the Environment	
	Could the Cabinet Member for Highways please provide an update on the timetable for resurfacing the remaining section of Crick Road to the B4245?	
7.4.	From County Councillor Christopher Edwards to County Councillor Laura Wright, Cabinet Member for Education	
	Can the Cabinet Member for Education inform council of progress made to the future plans for Chepstow School and the Chepstow cluster of schools since holding a meeting with Chepstow councillors in July last year.	
7.5.	From County Councillor Christopher Edwards to County Councillor Angela Sandles, Cabinet Member Equalities and Engagement	
	Can the cabinet member explain why Monmouthshire residents and swimming clubs in the South of the county (Chepstow & Caldicot) are being treated unfairly with regard to pool hire rates being the same for all Monmouthshire swimming pools when their pools are 5m shorter in length.	
7.6.	County Councillor Martin Newell to County Councillor Catrin Maby, Cabinet Member for Climate Change and the Environment	
	Please could you provide an update my residents in Monmouth regarding the progress being made and when they can expect to see the Section 19 report in relation to the floods in November 2025.	
7.7.	From County Councillor Richard John to County Councillor Ben Callard, Cabinet Member for Resources	
	Could the cabinet member provide an update on the council's investment portfolio.	
8.	Report to Council:	
8.1.	Publication of Pay Policy Statement	135 - 160

Paul Matthews

Chief Executive / Prif Weithredwr

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

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

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

Park;
Bulwark and Thornwell;
St Arvans;

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

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Recordings of the meeting will be stored in accordance with the Council's data retention policy. Archived webcasts or parts of webcasts shall only be removed from the Council's website if the Monitoring Officer considers that it is necessary because all or part of the content of the webcast is or is likely to be in breach of any statutory provision or common law doctrine, for example Data Protection and Human Rights legislation or provisions relating to confidential or exempt information.

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Watch this meeting online

This meeting can be viewed online either live or following the meeting by visiting www.monmouthshire.gov.uk or by visiting our Youtube page by searching MonmouthshireCC.

Welsh Language

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

Public Speaking at Full Council

Members of the public may register to ask a question of the members of cabinet at full council meetings. There is no facility for the public to register to speak as part of the debate of an item on the agenda at full council meetings. The total time allocated for all questions at a meeting of full council is 15 minutes.

No more than one question is permitted per questioner at a meeting of full council and questions will be asked in the order that they are submitted.

In order to submit a question at a full council meeting, notice must be given in writing or by email to the head of democratic services no later than midnight three working days before the day of the meeting with each question providing the name and address of the questioner.

Questions may be rejected if the question;

- Is not about a matter for which the council has responsibility or which affects the county
- Is defamatory, frivolous or offensive
- Is substantially the same question which has been put at a meeting of full council in the past 6 months
- Requires the disclosure of confidential or exempt information

Where a person is not able to ask the question to full council in person, the chair may decide to read the question out on their behalf, instruct a written response be provided or choose to not deal with the question in their absence. Those who do ask a question in person will be entitled to one supplementary question which must arise out of the original question or the reply. The chair may reject a supplementary question on these grounds.

Any questions that cannot be dealt with at the meeting due to exceeding the time limit for public questions will be dealt with by a written response.

Aims and Values of Monmouthshire County Council

Our purpose

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

Objectives we are working towards

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

Our Values

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

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

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

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

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

Report for Council 27th January – 20th February

Tuesday 27 th January 11 a.m.	Holocaust Memorial Event 11 a.m.
Tuesday 3 rd February 11 a.m.	Citizenship Ceremony Registrar's Office, Usk
Wednesday 11 th February 2 p.m.	Ladies Guild – Talk on Caldicot St Mary's Church Hall, Caldicot
Thursday 19 th February 5 p.m.	Chepstow Museum Opening Chepstow Museum
Friday 20 th February 5 p.m.	BEM Presentation County Hall, Usk

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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, 22nd January, 2026 at 2.00 pm

PRESENT: County Councillor Peter Strong (Chair)
County Councillor Martyn Groucutt (Vice Chair)

County Councillors: 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, Meirion Howells, Paul Griffiths, Jackie Strong, Rachel Garrick, Maria Stevens, Steven Garratt, Angela Sandles, Ben Callard, John Crook, Tomos Davies, Dale Rooke, Sue Riley, Jayne McKenna, Jill Bond, Louise Brown, Lisa Dymock, Tony Easson, Christopher Edwards, Simon Howarth, Richard John, David Jones, Penny Jones, Malcolm Lane, Phil Murphy, M. Newell, Paul Pavia, Maureen Powell, Tudor Thomas, Armand Watts and Ann Webb

OFFICERS IN ATTENDANCE:

Paul Matthews	Chief Executive
Peter Davies	Deputy Chief Executive and Chief Officer for Resources
Will McLean	Chief Officer for Children and Young People
Nicola Perry	Senior Democracy Officer
James Williams	Chief Officer Law & Governance
Deb Hill-Howells	Chief Officer Infrastructure
Craig O'Connor	Chief Officer, Place and Community Well-being

APOLOGIES:

County Councillor Frances Taylor

1. Declarations of Interest

None.

2. Chair's Announcement

Noted.

3. To confirm the minutes of the meeting held on the 4th December 2025

The minutes of the meeting held on 4th December were confirmed as an accurate record.

4. Reports to Council:

5. DIARY OF MEETINGS FOR 2026/27

The Cabinet Member for Equalities and Engagement presented the report for Council to approve the diary of meetings for 2026/27.

Council resolved to accept the recommendation to approve the diary of meetings for 2026/27 to ensure good governance arrangements are in place and meet the

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of County Council held
at Council Chamber - Council Chamber on Thursday, 22nd January, 2026 at 2.00 pm**

requirements of the Councils Constitution. In doing so, it was agreed that an additional meeting of Full Council be added to the diary on Friday 5th March 2027.

6. COUNCIL TAX REDUCTION SCHEME 2026/27

The Cabinet Member for Resources presented the report to confirm arrangements for the implementation of the Council Tax Reduction Scheme and approve it for 2026/27; for Council to agree to adopt the amendments to the regulations proposed by Welsh Government, as detailed in point 3.7; to affirm that annual uprating amendments will be carried out each year without a requirement to adopt the whole Council Tax Reduction Scheme.

Council resolved to accept the recommendations:

To note the making of the Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations ("the Prescribed Requirements Regulations") 2013 by the Welsh Government on 26 November 2013.

To adopt the provisions within the Regulations above ("the Prescribed Requirements Regulations") and any 'annual uprating regulations' in respect of its Scheme for the financial year 2026/27 including the discretionary elements previously approved as the Council's local scheme from 1st April 2026.

7. Motions to Council:

8. Submitted by County Councillor Paul Pavia

Motion: Chepstow Infrastructure Debate Council notes that:

- Traffic congestion in and around Chepstow continues to have a significant impact on residents, businesses and the strategic road network.
- In March 2022, Monmouthshire County Council and Gloucestershire County Council agreed to jointly fund and progress the Chepstow Bypass through the next phase of Transport Appraisal Guidance Public Document Pack (TAG/WelTAG).
- Progress towards developing a full business case for a relief road has since stalled.
- The prolonged delay in completing the Highbeech roundabout WelTAG work or progressing the Burn's Commission recommendations, demonstrates the lack of momentum in addressing wider infrastructure matters.
- In early 2024, Gloucestershire County Council indicated a willingness to commit £500,000 towards further scheme development but no matching funding has been identified by Monmouthshire County Council.
- Although the majority of any relief road would be located in England and led by the UK Government, Monmouthshire County Council and the Welsh Government have important roles in cross-border partnership working and scheme development.

Council resolves to:

1. Reaffirm that addressing the traffic congestion in and around Chepstow remains a strategic transport priority for Monmouthshire County Council.
2. Request that the Cabinet bring a report to Full Council setting out:
 - the current status of previous commitments made by the Council in relation to a bypass/relief road for Chepstow
 - available options for funding and progressing the next phase of Transport Appraisal Guidance (TAG/WelTAG) for a bypass/relief road for Chepstow

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held at Council Chamber - Council Chamber on Thursday, 22nd January, 2026 at 2.00 pm

- a clear timetable for engagement and decision-making with Gloucestershire County Council, Welsh Government and UK Government partners, including elected parliamentary members.
3. Confirm that Full Council should have the opportunity to debate and make recommendations to Cabinet on the Council's future role in progressing infrastructure projects, rather than the matter being deferred or allowed to stall further.

Seconded by County Councillor Chris Edwards

The meeting was adjourned at 15:00pm

Following the adjournment, it was agreed that members questions be answered in writing.

The meeting ended at 3.00 pm

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SUBJECT: Corporate Parenting Strategy 2025 - 2028

MEETING: Council

DATE: 5th March 2026

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

To present to the Corporate Parenting Strategy for 2025-2028 including performance against the previous Corporate Parenting strategy 2022 - 2025 and an updated Action Plan for 2025 – 2028.

2. RECOMMENDATION:

That Council endorses the Corporate Parenting Strategy and Action Plan for 2025-2028.

3. KEY ISSUES:

3.1 Part 6 of the Social Services and Wellbeing (Wales) Act (2014) sets out the duties of the Council to safeguard and promote the welfare of care experienced children and young people (including children looked after and care leavers).

3.2 As of end of January 2026, there were 204 children looked after by the Local Authority including 16 unaccompanied asylum-seeking children. Children in the care of the Local Authority reside in a range of placements including foster care, residential care (both independently commissioned or in-house placements); placed with family / friends (kinship care) or placed with parents. The majority of children are placed under statutory orders with a smaller number of children placed under voluntary arrangements. When a child is in care (under a statutory order) the Local Authority shares Parental Responsibility (PR) with the parents and has the majority PR.

3.3 The strategy seeks to articulate the vision of the Council in relation to Care Experienced children and young people and clarifies the responsibilities of the Officers of the Council and County Councillors when considering the rights of Children Looked After and Care Experienced young people.

3.4 The strategy sets out the local picture in relation to the trends and changes of Monmouthshire's Children Looked After population and provides an overview of the national context including changes in legislation and governmental policy where relevant. The commentary on key achievements and next steps is the basis for the revised Action Plan to cover the next 3 year period (appendix 1 a).

3.5 The Council's Corporate Parenting Panel is the cross-party body responsible for ensuring that the council, together with its partners, acts as a "good parent" to all care experienced children and young people. One of the panel's core functions is to oversee the delivery of the action plan and ensure that care experienced children and young people receive the best possible care and support, and that their personal wellbeing outcomes are achieved.

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

4.1 The strategy is concerned with the rights of care experienced children and young people, who fall into a protected characteristic by virtue of their age. The strategy recognizes that every child is individual and that children require placements that support their sense of identity and self-worth. The strategy emphasizes the progress that has been achieved over recent years regarding increasing the availability of local placements through the development of residential provision and enhancing the support provided to in-house foster carers. As well as retaining children in Wales this helps to support local employment opportunities. The strategy recognizes the central importance of helping young people to develop the independence, skills and personal resilience they will need to live fulfilled and happy lives.

5. OPTIONS APPRAISAL

Not applicable

6. EVALUATION CRITERIA:

6.1 The report provides a review of the Corporate Parenting previous action plan (2022 – 2025) including key milestones, and offers key data to support analysis of service level performance. Key actions for the next period are set out in the action plan for 2025 – 2028).

7. REASONS:

7.1 The strategy is not a statutory requirement but is developed so that elected members and officers of the Council have a clear understanding of the collective roles and responsibilities towards the children in Monmouthshire's care and those who leave the care system.

7.2 The report offers an opportunity to review and scrutinise the work of the Corporate Parenting Panel and the wider service areas and partners that are represented.

7.3 Presenting the strategy to council presents an opportunity for members to contribute to the development of services and activities that support the wellbeing of care experienced children.

8. RESOURCE IMPLICATIONS:

There are no additional resources implications associated with the Corporate Parenting Strategy.

9. CONSULTEES:

9.1 Consultation of the draft strategy and action plan took place with:

- Corporate Parenting Panel Members
- Children Services Directorate Management Team
- Lead Member for Social Care, Safeguarding & Accessible Health Services.

9.2 The draft Corporate Parenting Strategy and Action Plan was scrutinised by the People Scrutiny Committee on 24th February 2026. The following issues were discussed:

- The extent to which young people were involved in the development of the strategy. Members were informed that engagement with young people is ongoing and has informed the development of the strategy and action plan in a wider sense. Cabinet members attend the specific engagement events that are held to hear directly from young people about their experiences.
- The approach to the recruitment of foster carers in terms of challenges around meeting targets in previous years.
- The reasons behind increased complexity in children's needs.
- The role and importance of connected and kinship carers.
- The development of private residential homes within Monmouthshire.
- Performance regarding unplanned changes in placements.
- The importance of supporting children's cultural identify.

10. BACKGROUND PAPERS

None

11. AUTHOR:

Diane Corrister

Head of Children Services Monmouthshire

E-mail: dianecorrister@monmouthshire.gov.uk

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Corporate Parenting Strategy

2025 - 2028



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DRAFT



Foreword

I am pleased to introduce our new **Corporate Parenting Strategy**, which reaffirms the responsibility we all share for the children and young people in our care. Every elected member, officer, and partner organisation has a role in keeping them safe, supporting their wellbeing, and helping them grow into confident, valued adults. Corporate parenting is not a task for one service—it is a commitment that reaches across our whole council.

At the heart of this Strategy are our **Care Experienced Young People**. Their resilience, honesty and achievements continue to inspire us. Many have faced difficulties no child should ever have to face, yet they show strength, talent and determination every day. We are proud of them, and we are grateful for the insight they bring in shaping our work.

This Strategy sets out our promise: to listen, to nurture ambition, and to stand alongside our young people as they build their futures. Together, we will strive to be the very best corporate parents we can be.

Councillor Ian Chandler

Monmouthshire County Council

Lead Cabinet Member for Social Care, Safeguarding & Accessible Health Services
and Chair of the Corporate Parenting Panel



Corporate Parenting Priorities

Priority 1: All elected members and officers understand and act on their responsibilities as corporate parents.

Priority 2: All children and young people who are looked after have a safe and stable home where they feel safe, valued and cared for.

Priority 3: Children who are looked by Monmouthshire County Council are cared for by Monmouthshire carers and remain close to their homes and communities.

Priority 4: Children and young people who are looked after enjoy a range of educational and learning opportunities and are supported to achieve the best possible educational outcomes.

Priority 5: Children and young people who are looked after enjoy the best possible health and have appropriate information, health care and advice to thrive.

Priority 6: Children and young people who are looked after enjoy a range of play, sport, leisure and cultural opportunities to enable them to fulfil their potential.

Priority 7: As they grow older, children looked after are given timely, good quality support to prepare them for the future and into independence and enable them to make positive choices for independent living to become successful, fulfilled members of society.

Priority 8: Care Leavers are supported in education, training and employment and housing options.

Priority 9: Care Experienced children and young people are treated as valued members of the community, whose voices are heard, respected and taken into account in all decisions.

Priority 10: Care experienced children and young people are intrinsically involved in the development of practice and the wider service.



1. Our Vision

Monmouthshire Council is committed to supporting children to remain in the care of their families wherever possible, as we believe that this is usually the best place for children to thrive. We will provide effective support to help families remain together safely.

In some circumstances children need to be cared for by the Local Authority to ensure their safety and welfare. For these children the Council will provide care that meets their individual needs and promotes their sense of identity and family connection.

The council aims to develop a diverse range of placements designed to meet the unique and varying needs, and provide the right care and support, for each individual child or young person.

The Council wants children and young people to remain in their communities whenever possible, and for Monmouthshire children to be cared for within the county and within Wales. This allows children to experience the least disruption, maintain a sense of familiarity, have increased opportunities for time with family and friends, and preserve their Welsh identity.

The Council will promote partnership working to ensure that care experienced children and young people have access to education, training or work, health care, community activities, leisure and recreational opportunities.

The Council will endeavour to ensure that the experience of children and young people in care does not add to any disadvantage or loss they may have experienced and provides them with the stability and security they need to flourish and grow into successful adults. Care placements should provide opportunities to develop healthy relationships and develop skills and resilience so that children and young people can build positive futures and achieve their goals.

We believe that Corporate Parenting within MCC should be aligned to the United Nations Convention on the Rights of the Child (UNCRC). To reflect this, on 17th July 2024, Cabinet agreed to adopt the *Corporate Parenting Charter: A Promise for Wales* issued by Welsh Government in September 2023. The charter sets out a



number of principles and promises aligned to United Nations Convention on the Rights of the Child (UNCRC) and was co-designed with care experienced young people. Adopting the charter, commits the Council to working alongside care experienced young people in a way that helps to eradicate stigma; ensure care experienced children and young people have the same life changes as every other young person in Wales; nurtures their aspirations and ambitions and provides pathways to fulfilled and independent lives as adults.

<https://www.gov.wales/corporate-parenting-charter>

The Council recognises that the impact of having care experience can have a lifelong impact on people. Young People themselves tell us they continue to experience loneliness and isolation without the family networks and support that other people benefit from. In September 2024 Monmouthshire Council adopted certain measures to help care experienced people (i.e. anyone who has spent time in care when they were under 18 years old) overcome the disadvantages and discrimination they experience. These measures commit the council to:

- Assessing the impact of policy decisions on people with care experience.
- Expanding guaranteed job interviews to any individual with care experience.
- Including consideration of how to overcome the disadvantages and discrimination experienced by care experienced people when setting and reviewing the Council's Strategic Equality Objectives.

2. The Scope of Corporate Parenting

Child Looked After

This term refers to any child in Wales, under the age of 18, who is in the care of a local authority and provided accommodation for more than 24 hours. A Child Looked After may be a child who has been removed from their parents/carers for protection or placed voluntarily by parents due to family issues.



Care Leavers

The Corporate Parenting Strategy applies equally to young people leaving care as it does to children and young people who are looked after.

A Care Leaver is defined as a child who was previously a child who was Looked After Child and was in Care on their 16th birthday. Our duties to young people who are care leavers remain until they are 25. A young person can withdraw and re-connect to care and support at any time during this period.

Unaccompanied Asylum-Seeking Children (UASC)

Children and young people who arrive in Wales claiming asylum become children looked after and are included in our Children Looked After and Care Leaver population (when they turn 18).

Care Experienced Children and Young People

'Care Experienced' is the preferred descriptor by young people themselves for either a Child Looked After or a Care Leaver. We are committed to using this terminology wherever we can.

3.Roles and Responsibilities

Everyone within Monmouthshire County Council has a shared responsibility for Corporate Parenting. Elected Members and officers alike are expected to act in the best interests of care experienced children and young people and be aspirational for their futures. Corporate Parents have an important role to play in ensuring that every child / young person in their Council's care receives high quality care and support, such that they would be happy for their own children to receive.

Welsh Government defined the concept of corporate parenting as: *"The collective responsibility across services and across local authorities, to safeguard and promote the life chances of looked after children"*.

Councillors as Corporate Parents

Gwenda Thomas was a former Deputy Minister for Health & Social Services between 2007 and 2014. Gwenda Thomas described the Corporate Parenting Role for Elected Members,



as follows; despite the passage of time, the quote still captures the essence and importance of the elected member role.

“When you became an elected member you took on one of your most important roles, as corporate parent to children your local authority looks after. The importance of your corporate parenting responsibilities cannot be overemphasised. Elected Members have a responsibility to ensure that children looked after by the Council are able to thrive, that they are nurtured, supported, educated, listened to and prepared for adult life in the way any good parent would want for their own children. These children will often have faced significant challenges and will need the help of adults who hold powerful and influential positions.” Gwenda Thomas AM

Key aspects of the role of County Councillors in their duties as Corporate Parents include:

- To know the key issues and concerns of our children and young people who are looked after and care leavers and to ensure that the Council is responding to these.
- Ensuring that parental responsibilities for children and young people who are looked after and care leavers are being fulfilled.
- To identify where things need to improve and have a positive impact on ensuring good outcomes for care experienced children and young people.
- To consider and question the impact of Council decisions on care experienced children and young people.
- To ensure that in their own personal conduct they act as champions for care experienced children and young people and do nothing that would cause jeopardy or harm to care experienced children or young people.

Officers of the Council

All officers employed within the Council share the responsibility to promote the needs of care experienced children and young people.

Key responsibilities of all officers are:

- To promote the life chances of care experienced children and young people particularly as it applies to their area of responsibility.



- To consider the impact of services / operational processes and practice on care experienced children and young people.

Corporate Parenting Panel

The Corporate Parenting Panel is the strategic, cross-party body responsible for ensuring that the council, together with its partners, acts as a "good parent" to all care experienced children and young people.

The panel's core function is to ensure that care experienced children and young people receive the same level of care, support, and protection that any good parent would provide.

Role of the Corporate Parenting Panel

- **Strategic Leadership:** Leading on the development, monitoring, and implementation of the council's corporate parenting strategy.
- **Involving and engaging with care experienced children and young people:** Actively listening and providing a direct, formal forum for care experienced children and young people to influence policies, share experiences, and challenge service design.
- **Advocacy & Representation:** Acting on behalf of care experienced children and young people, ensuring their needs are prioritised across the council.
- **Partner Coordination:** Ensuring cooperation between different parts of the Council and with external partners such as Health, Police, education providers, housing services, youth and play services, training and employment providers, and the voluntary sector.
- **Monitoring Performance:** Reviewing service data and performance reports from relevant service areas within the Council and from external partners and organisations with a focus on evaluating outcomes for care experienced children and young people.
- **Safeguarding Oversight:** Monitoring risks to care experienced children ensuring robust care and protection.
- **Supporting the Workforce including Foster Carers:** Listening to and responding to the needs of the workforce, ensuring that those working with



care experienced children have the right opportunities and support to provide high quality care.

Current Membership

The Panel is chaired by the Lead Cabinet Member for Social Care and Safeguarding (Cllr Ian Chandler, Green) and other County Councillors are appointed to achieve political balance. The panel includes representation from Monmouthshire's foster carers. Aneurin Bevan Health Board Child Looked After Nurse is a standing member as is a representative from the National Youth Advocacy Service (NYAS). Care experienced young people have an open invitation to attend.

Current Elected Members and Officers of Panel are:

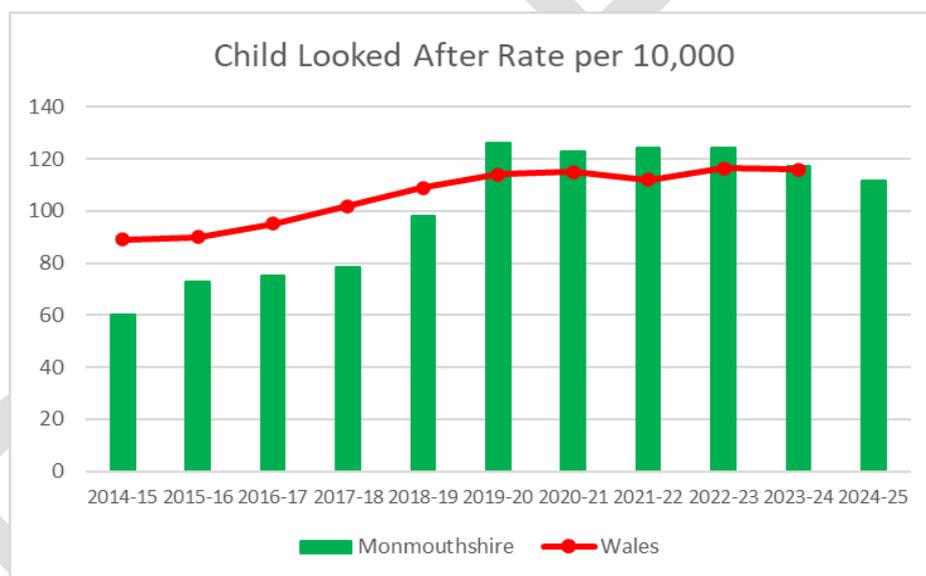
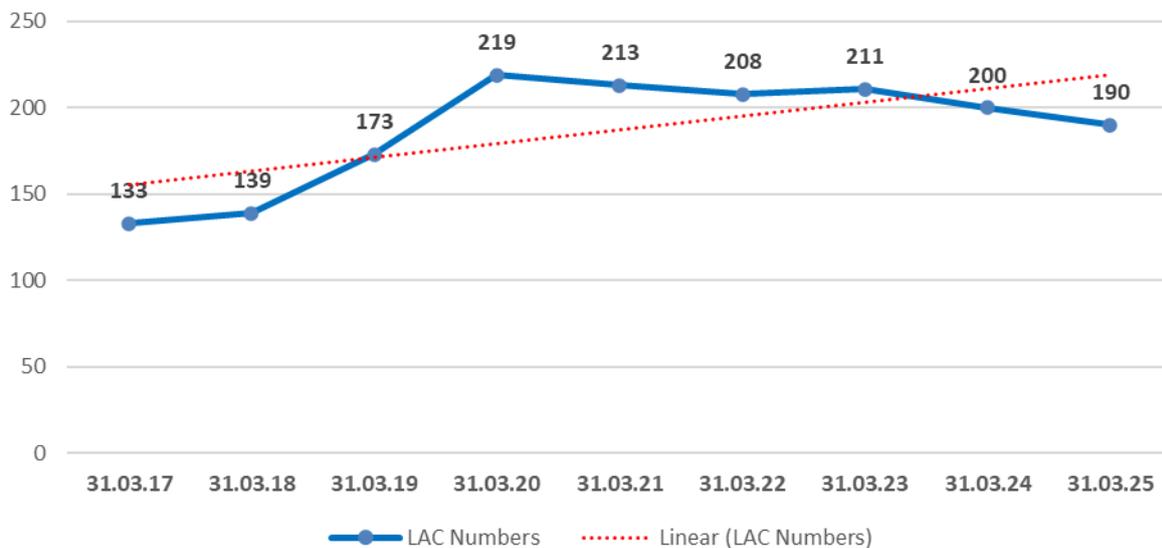
County Councillors
County Councillor I Chandler (Green) Chair
County Councillor A Sandles (Lab)
County Councillor J. Strong (Lab)
County Councillor P. Jones (Con)
County Councillor M. Lane (Con)
OFFICERS
Morwenna Wagstaff, Head of Service (Inclusion)
Ian Bakewell, Strategic Housing Manager
Diane Corrister, Head of Children's Services
Wendy Barnard, Democratic Services Officer
Jane Rodgers, Strategic Director, Social Care
Louise Wilce, Inspire Co-Ordinator
Jane Oates, Housing Options Manager
Josh Klein, Youth and Community Team Manager
Deb Jones, PA Care Leavers
Mike Jones, PA Care Leavers
Lindsay Dumbell, PA Care Leavers
Ros McAteer, Senior Practitioner
Charlotte Drury, Service Manager – Children's Services

4. Number of children looked after

As at 31st March 2025 there were 190 Children Looked After 12 of whom were Unaccompanied Asylum-Seeking Children. The number of children looked after at this point in time had dropped below 200 for the first time in five years. The rate, of 112 children looked after per 10,000 child population in Monmouthshire, was below



the most recently published average rate of Children Looked After across Wales in 2023/24.



5. The Changing Context

The strategy is developed on a 3-yearly basis which provides an opportunity to update on relevant issues and changes which affect care experienced children both at a local and a national level. The strategic, policy and operational context for corporate parenting is constantly evolving. Some of the key relevant issues are set out below.

The removal of profit from Children's Care

The Welsh Government has continued to work towards the removal of profit from the care of Children Looked After in Wales. This is now legislated for within the Health and Social Care (Wales) Act 2025. The timeline for full implementation has been extended from 2027 to 2029/30, reflecting the complexity and challenges involved. It remains uncertain which private providers of residential and fostering placements will transition to a not-for-profit model or exit the market entirely. Additionally, the criteria for providers exempt from the Act is still unclear. These factors are contributing to significant disruption within the placement market, resulting in a scarcity of placements, increased costs for those available, and the risk that some children may need to move from placements where providers choose to withdraw.

Development of Residential Placements

The policy direction has also acted as a driver in the development of local authority in-house placements, particularly for residential and supported accommodation. Monmouthshire has capitalised on the opportunities this has presented, increasing its in-house provision through a placement development strategy (endorsed April 2024). The aim of this strategy is to achieve better outcomes for children and increased control over placement stability and care planning whilst securing better value for money.

Foster Care

There has been a national decline in the number of people seeking to foster children. This challenge is further compounded in Monmouthshire because of the size and demographic of the local population. The issues associated with the removal of profit is a further imperative to ensure increased in-house foster carers, as a significant number of foster carers working in Monmouthshire do so through for-profit organisations.

Foster Wales works alongside our in-house fostering service to explore alternative approaches to attract and recruit foster carers. The Council has taken measures to make in-house fostering more attractive – including uplifting the fees we pay; implementing a council tax reduction; providing discounted leisure charges; improving out of hours support and the level of communication between children's teams and foster carers.



The balance between new carers being recruited and the loss of carers through retirement or resignation has recently seen a positive uptick. The number of children placed with the Council's in-house foster carers over the last 6 years has risen steadily from a low of 25 as at 31.03.2018 to 46 as at 31.03.2025 which is a 77% increase. This has helped mitigate our reliance on IFA placements which has reduced from a high of 59 placements (as at 31.03.2020) to 48 placements (as at 31.03.2025).

Nevertheless, the Council is still overly reliant on IFA carers and longer-term, it is uncertain whether Monmouthshire will be able to recruit sufficient in-house foster carers to meet the demand for children to be placed with our own carers in a family setting.

Unaccompanied Asylum-Seeking Children

Monmouthshire has a history of supporting young people who arrive in Wales fleeing oppression, exploitation, or war. The numbers of children and young people, whether arriving on their own (Spontaneous Arrivals) or directed to Monmouthshire via the government National Transfer Scheme, has increased over the last 3 years. The Local Authority has a duty toward these children and young people to find them homes and provide care and support for their diverse and often complex needs. This group of young people have diverse backgrounds, culture, religion, language, and experiences. They have a history of trauma and often no family known in the UK. Monmouthshire has committed to the development of in-house support and training for UASC, as well as developing networks and partnerships across Gwent. This allows us to learn more about the needs of the individual children and to ensure access to accommodation, language and translation services, meeting cultural and religious needs, and education and health services. A priority for these young people is the support and advice required to navigate the legal and immigration process to secure a decision about their future.

Family Support & The Safe Reduction of Children Looked After in Wales

Within its Programme for Government, the Welsh Government has committed to the safe reduction of the number of Children Looked After, with an emphasis on children remaining closer to their homes and communities. In response, Children's Services has incrementally developed and expanded its Family Support Services. This has



supported an overall gradual reduction in the number of Children Looked After from a mid-year high of 227 (including 2 UASC) in 2021 to 190 (including 12 UASC) in March 2025. The expansion of Family Support has helped to reduce the number of children subject to a Care Order who are placed with their parents (PWP) by the Court by 47% from a high of 55 (as at 31.03.2020) to 29 (as at 31.03.2024) and has supported more children looked after to achieve safe rehabilitation with their families.

Homelessness legislation

People with care experience face increased risk of homelessness during the course of their lifetimes than the general population. In recent years the Council has placed increasing emphasis on reducing homelessness and increasing its supply of temporary as well as permanent housing solutions.

There are impending legislation changes as laid out in the Homelessness and Social Housing Allocation (Wales) Bill. Initial proposals in the Bill, which is due to be put before the Senedd early 2026, includes amendments to the Social Care and Wellbeing 2014 Act and will significantly impact on how the authority manages those leaving care. Headline proposals include:

- Prohibiting the use of the homelessness system as a default for those leaving care.
- Requirement for a joint protocol between housing and social care to more effectively support care leavers and 16–17-year-olds who are homeless or threatened with homelessness.
- An intention to amend the Suitability Order (2015) to make it explicitly clear that unsupported accommodation is unsuitable accommodation for 16 and 17 year olds.

Following scrutiny of the Bill by the Local Government and Housing Committee a recommendation was given that “the Welsh Government should assess the case for extending provisions aimed at care leavers in future, so that they apply to all up to the age of 25, not just those in education or training. This includes the duty to ensure that suitable accommodation is available for care leavers”.



Children's Services and Housing colleagues are working jointly to plan for how we respond effectively to any legislative changes and improve our ability to achieve stable homes for care experienced people. The development of 16+ provisions is assisting with this, but there is still a shortage of move-on accommodation that needs to be addressed.

Children's Changing Needs

Although on the surface the number of children in care appears relatively stable, beneath this there is increased movement with more children becoming looked after, and ceasing to be looked after than previously, when the cohort of Children Looked After was more static. During the year 2024 – 2025, 60 children entered care, and 70 children left care. Of these 70 children, 23 left care by virtue of turning 18. The service supported 47 children to leave care through developing an alternative pathway for them, drawing on the close working between social workers and family support services. During 2024/25, 11 children were supported to return to their families (5 following discharge of an interim care orders); 27 children were supported to be placed with Special Guardians and 9 children were adopted.

This movement of children is enabled because the service is working differently to manage risks within the community and support family placements, increasing the numbers of children who can safely exit care and ultimately to the discharge of statutory orders. This means that the children who do remain in care for a longer period are often those with more complex needs and / or who have extremely limited family support.

At the same time, Children's Services is seeing an increase in the complexity of needs and risk presentations within the children and families that are referred. This trend has been further exacerbated since the 2020–22 pandemic with social, emotional and psychological / mental health issues becoming more prominent as well as acrimonious family breakdown and challenges in family functioning. The number of applications to the Family Court has not reduced despite significant levels of support services aimed at diverting families from this step. Equally, for children who do go on to require long-term care from the Local Authority, this heightened



complexity often creates challenges in securing stable placements that can meet their needs.

Workforce

The importance of supporting a stable workforce is critical for the Council to deliver its corporate parenting responsibilities effectively. Within Children's Services, the Long-Term Support Team works with children who are Looked After and Care Leavers. Since the last strategy, there has been significant instability in the Long-Term Support Team with a number of changes at Team Manager, Senior Practitioner and Social Work level. This has resulted in some disruption to the team's ability to focus on service improvement and practice development. The team is now benefitting from an experienced team manager who has been able to bring increased stability and direction to the team. Ensuring a well-trained and stable workforce is a critical factor for care experienced children who value the trusting relationship that a long-term social worker can provide.

Recently there has been a renewed focus on the 14+ population of children looked after with an extensive Action Plan in place to address and improve practice regarding statutory compliance and quality assurance. The intention is for this plan to support improvements in how we support children's pathways to independence including manage finances; as well as extending children's participation, engagement and recognition of achievements.

Financial & Budgetary Context

There continue to be significant budgetary pressures across the Local Authority, public services, and the third sector, which affect inward investment in services that support care experienced children and young people, their carers and families. These financial constraints create both challenges and opportunities and require us to review and evaluation our service delivery models and collaborative relationships. We have made good use of partnership funding to support the development of in-house children's residential provision.

Equally, the Council is benefitting from a number of Welsh Government grants



including Families First, Regional Integration Fund and Radical Reform, the majority of which we have turned to developing our Family Support offer. Whilst it is positive that we have been able to maximise these opportunities, grants create uncertainty for the workforce; service planning and future provision. Wherever possible we have used savings achieved through active care planning and placement development to re-invest in services (foster carers and family support for example).

6. Key Achievements in 2022 –25 and Next Steps

Placement Sufficiency

- Monmouthshire’s Fostering Recruitment Strategy provides a co-ordinated and comprehensive approach to fostering recruitment which has resulted in a steady increase in foster carers. (Priority 2 & 3)
- In March 2025 Monmouthshire Council increased the financial offer to in-house Foster Carer to be more aligned with the regional position and in recognition of the valuable service provided by our Foster Carers. (Priority 2 & 3)
- In May 2024, the Lead Cabinet Member agreed a 30% Council Tax reduction for Monmouthshire Foster Carers supporting both the recruitment and retention of Foster Carers. This has led directly to the recruitment of at least two fostering households and an additional four placements in 2025/26. (Priority 2 & 3)
- Over the period successful recruitment of carers has marginally outstripped the number of Carers retiring or resigning. Consequently, the number of in-house foster carers numbers has remained stable with a small overall increase of Foster Caring households from 37 at year end 2023 to 41 at year end 2025. At the same time, improvements in the support we offer to carers and how we match children has ensured a steady increase in the use of in-house Foster Carer placements, with 46 children being placed with in-house foster carers at year end 2025. (Priority 2 & 3)
- It is anticipated that the target of recruiting 10 new foster carers will be met in 2025/26; however, the previous two years targets were not met, meaning that recruitment and retention activity remains a critical priority. (Priority 2 & 3)



- In January 2024 Monmouthshire Council signed the Foster Carer’s Charter. This document defines the relationship between fostering services, local authorities, and carers. It aims to ensure carers are treated as skilled professionals, respected, and supported, enabling them to provide optimal care for children. Key principles include inclusion in decision-making, access to training, support, and fair treatment. (Priority 2 & 3)
- In April 2024, the Council endorsed an approach to developing ‘in-house’ residential and 16+ supported accommodation for care experienced children. (Priority 2, 3, 7 & 8)
- In May 2025 Monmouthshire opened its first in-house registered Residential Children’s home in Monmouth. The development of this home, together with our existing 2-bed therapeutic provision, has led to a reduction in the reliance of “for -profit” private residential home placements. Although early days, the home is delivering better outcomes for children. The Independent Reviewing Officer’s Quality Assurance report of December 2025 reported that all children in the Monmouth residential home were positive, felt secure and were happy they had moved to this provision. (Priority 2 & 3)
- In November 2024 Monmouthshire opened its first 16+ Supported Accommodation, a 4-bedroom home in Caldicot. This provision supports the Council’s commitment to care experienced young people having the appropriate support to develop the skills and knowledge that they will need as they become adults and move into independent living. The provision has also allowed a pathway for young people who are in out-of-county residential care to return to Monmouthshire in order to develop the support networks they will require when they are 18. The provision further contributed to reduction in the Council’s reliance on for profit, out of county placements. (Priority 3, 7 & 8)
- For UASC young people over 16, Children Services has worked with a private landlord to develop suitable housing options. This has enabled young people to have their cultural, religious and community needs met, as well as being able to access appropriate health care and education. (Priority 5, 6 & 8)

2025-28 Next Steps



- Further development of pathways and partnerships with Adult Services, Housing Services, Registered Social Landlords, private providers and new home builders to consider the housing needs of 18+ Care Experienced young people. This is to ensure that suitable move-on accommodation is available to care experienced young people ready to increase their independence take on their own tenancies.
- The completion of 3 further Residential Care Homes due to open in 2026.
- The completion of 2 further 16+ Supported Living homes to expand the suite of options for children's differing support needs in transitioning to a life outside of formal care and into adulthood.
- Continued programme of Recruitment events and campaigns for In House Foster Carers, and engagement with the 4C's and Welsh Government in relation to the potential transfer of carers from for-profit organisations.
- Expansion of both the Monmouthshire Fostering Business programme and the Fostering Family approach to support In House Foster Carers.

Family Care and Family Networks

Since the last strategy, the Council has expanded and enhanced its suite of Family Support services aimed at supporting children to remain in or return to parental or family care. These services work with the statutory Children Services teams to undertake targeted direct work to help identify and mitigate the risks which may prevent a child remained at, or returning, home. This includes:

- Evolution of the work undertaken by the Families Together Team who now work with families and children who Looked After and within a Court process to secure Special Guardianship Orders at the final hearing in court. This diverts children from being either residential or foster care into family care. (Priority 2 & 3)
- Development of Family Reconnect Support Service where targeted longer-term support helps address both current and historical risk and concerns. This enables Children Looked After to re-engage in safe contact with families, work toward rehabilitation to parental or family care, or to expand safe support



networks for young people who will help sustain them as Care Leavers.

(Priority 2, 3 & 7)

- The development of Family Resolutions service which works holistically with children and families experiencing interfamilial conflict, domestic abuse and parental alienation. This is a service offering intensive directed intervention informing Social Work assessments and enabling children to return safely to, or remain in, parental care. (Priority 2 & 3)
- The development of the Out of Hours supervision service provides oversight to children who require enhanced monitoring outside of office hours. The work helps to manage risk and informs Social Work assessments. This service is key to understanding and ensuring children returning to or remaining in parental care are safeguarded, and supports safe rehabilitation. (Priority 2 & 3)

Next Steps

- Continue to evaluate the role and remit of Family Support services as the demographic of children looked after changes, recognising the increased complexity of children's needs. Continue to evaluate the family outcomes achieved.
- Advocate for permanent core funding for Family Support posts to increase workforce stability.

Participation and Engagement

- A programme of practice change has increased the quality of care planning for Children Looked After with an emphasis on exploring the potential for rehabilitation to family care, or to less intensive / more local care provision. Pathway Planning processes for children who are 15+ has been refreshed (with the involvement of young people). This has supported practitioners and young people to work together in planning for independence and post care options. Pathway Plans are reviewed and amended with the young person up to the age of 21 or 25 if the young person is in education or training. (Priority 7 & 8))
- The Corporate Parenting Panel has continued to meet twice yearly (as a minimum) with Care Leavers to hear their views on topics which are relevant



to them including experiences in foster or residential care, accommodation and housing, apprenticeships, finances as well as the barriers and challenges they experience in everyday life. (Priority 9 & 10)

- 100% of Children Looked After Reviews are held in timescale, and these are held in a range of venues which facilitate the attendance of the child. All children have an opportunity to speak with an advocate or with the Independent Reviewing Officer and recent data shows that 75% of children are invited to attend their Child Looked After review meetings (dependant on age/circumstances) with 62% of those Children Looked After then attending their review meetings. (Priority 9)
- A Young People's panel has been established which has ensured participation in the recruitment of key posts, and the development of both Residential and Supported Accommodation provisions. (Priority 10)
- Since 2024 there has been a programme of "Coffee and Catch" up meetings between Foster Carers and Children Services Leadership Team held quarterly across Monmouthshire allowing foster carers to raise issues relevant to them and to contribute their views to service development. In keeping with the Foster Care Charter, this compliments the Fostering Proactive Partnership group (Foster Carers and key operational staff from Children Services) to support the development of processes and procedures, as well as improving understanding and relationships. (Priority 2 & 3)

Next Steps:

- Embed and monitor the participation and action plans in the Long-Term Support Team to drive service improvements for Care Experienced young people.
- Review the use of advocates and advocacy services to prepare for the regional tendering process which commences in 2026.
- Development corporate parenting engagement events and devised a more robust appreciation event programme for Care Experienced Children & Young People

Health and Education:



- The Vulnerable Learners Lead in the Education Inclusion Service has driven change in the development of Personal Education Plans (PEP) working with both operational Children’s Services and individual schools to improve compliance, children’s participation, and quality of plans for Children Looked After who have Additional Learning Needs. There has been a year-on-year improvement in the number PEP’s completed. The target is to achieve 96% completion of PEPs on children’s files in early 2026. The Vulnerable Learner Lead tracks all care experienced children and young people’s education needs up to the age of 16 when they are monitored through the “Teir Data” and Keeping in Touch Service. (Priority 4)
- Monmouthshire has a current ‘Not in Education, Employment or Training’ (NEET) Prevention Strategy in place, supported by robust monitoring systems for children up to age 16 followed by a partnership-based monitoring approach up to age 18. The NEET Prevention Team (Inspire) is well-embedded and available to support any young person at risk of becoming NEET or already identified as such. Young Person Advisers within Children’s Services are part of the Keeping in Touch partnership and contribute to the monitoring and support of 16–18-year-old NEET care experienced young people. (Priority 4, 7 & 8)
- Where possible we continue to support care experienced young people with additional grant money to support their independence such as learning to drive or accessing training. (Priority 6).
- Care Experienced young people continue to tell us that they feel frustrated and limited in terms of being able to progress into meaningful employment. Some young people experience ‘negative’ financial impacts of working because of the way that the benefit system works.
- There has been significant staff turnover of personnel within the Child Looked After Nursing Service which has led to increased delay of children’s health reviews being undertaken. This has resulted in a 10-month backlog of Health assessments for approximately 76 children and care leavers. Health has responded with a regional approach to manage the backlog across Gwent. Progress on this is being monitored by Monmouthshire’s IRO. (Priority 5)



- The BASE service, a partnership between the Local Authority and Health, continues to support the emotional and psychological wellbeing of Care Experienced children and young people and their carers. Between 2024/25 BASE delivered 63 consultations relating to 49 children and 27 Professional Network Meetings were held. 24 children received direct work including 315 therapy sessions, 245 Play Therapy sessions and 70 Psychology sessions. Demand for consultations increased over the last year in keeping with the rising complexity of children's needs. BASE plays a critical role in support placement stability and providing essential specialised support for carers. (Priority 2 & 5)

Next Steps:

- Maintenance the progress achieved in timeliness and quality of Personal Education Plans with increased young person engagement and contribution to the PEP process. Assure the quality and impact of the PEPs completed.
- Extend access to Apprenticeship opportunities for Care Experienced young people.
- Continue to monitor and provide additional opportunities for care experienced young people to improve their skills, resilience and independence using available grants.

7. Implementation and Evaluation

The Corporate Parenting Strategy includes a high-level action plan to support the delivery of its core aims. Measures have been put in place where possible, so that there is an evidence base through which progress can be monitored. Delivery against the action plan will be monitored by Corporate Parenting Panel on a 6-monthly basis. The Corporate Parenting Panel will present a mid-point report to Full Council on progress.

For the current strategy we have aimed to focus on the actions where corporate parenting work can bring added value to the work that is on-going within the services. A revised set of actions is at appendix 1a and a review of previous action plan is at appendix 1b.



DRAFT



Appendix 1

1a Action Plan for 2025 - 2028

The Priority	Actions we will take	How we will evaluate progress	Who is the lead
1. Elected members and officers understand and act on their responsibilities as corporate parents.	<p>Corporate Parenting Induction for new members to be reviewed.</p> <p>Ensure a system is in place to induct members elected after May 2027</p> <p>Presentation of Corporate Parenting Strategy 'mid-point review'</p>	# attending Corp Parenting induction May 2027	Lead Member Strategic Director SCH
2. All children and young people who are looked after have a safe and stable home where they feel safe, valued and cared for.	<p>Ensure foster carers feel well supported and valued by Corporate Parenting Panel.</p> <p>Celebrate and recognise the contribution of in-house foster carers through an annual foster carer appreciation event</p> <p>Encourage foster carer representation at Panel and continue to embed the Fostering Proactive Partnerships Group</p> <p>Ensure good support is in place for carers and children transitioning into adoptive placements or Special Guardianship placements</p>	<p>Feedback from foster carers</p> <p>Placement stability report (Annual figures)</p>	Service Manager for Placement & Support Team
3. Children who are looked by Monmouthshire County Council are	Ensure the Foster Carer recruitment strategy drives effective recruitment and retention	# / % children placed with in-	Service Manager, Placement & Support

<p>cared for by Monmouthshire carers and remain close to their homes and communities.</p>	<p>activity.</p> <p>Open x 2 further in-house residential children's homes and x 2 further supported accommodation houses</p>	<p>house foster carers</p> <p># / % children in in-house residential placements and supported accommodation placements</p>	<p>Team</p> <p>Service Manager, Residential Care</p>
<p>4. Children and young people who are looked after enjoy a range of educational and learning opportunities and are supported to achieve the best possible educational outcomes.</p>	<p>Ensure that PEPs are completed to timescales and that there is a process in place for quality assuring PEPs</p> <p>Ensure that young people at risk of being NEET are identified early and that appropriate support is provided</p>	<p>Achievement and attainment reports for children looked after</p> <p># / % care experienced young people who are NEET</p>	<p>Head of Inclusion</p> <p>Youth & Community Team Manager</p>
<p>5. Children and young people who are looked after enjoy the best possible health and have appropriate information, health care and advice to thrive.</p>	<p>Monitor the improvement plan submitted by Health regarding completion of Child Looked After Health Assessments</p> <p>Maintain the BASE service to support the psychological and emotional health and wellbeing of children & young people</p> <p>Continue to implement Life-Story work training for practitioners</p>	<p># assessments completed in timescales</p>	<p>ABUHB</p> <p>Head of Service</p>
<p>6. Children and young people who are looked after enjoy a range of play, sport, leisure and cultural opportunities to enable them to fulfil their potential.</p>	<p>Continue to support social activities and trips for care experienced children & young people</p> <p>Support positive peer networks among care experienced people</p>	<p>Activity & outcomes report from Personal Advisors</p>	<p>Service Manager, Managed Care</p>

<p>7. As they grow older, children looked after are given timely, good quality support to prepare them for the future and into independence and enable them to make positive choices for independent living to become successful, fulfilled members of society.</p>	<p>Work with the Young People's Panel and foster carers to implement the 'preparation for independence' skills approach</p> <p>Ensure skills development is embedded within commissioned placements (fostering and residential)</p> <p>Ensure skills development is embedded within the model of care within in-house residential placements</p>	<p>Skills development approach in place</p> <p>Feedback from care experienced young people</p>	<p>Head of Service</p>
<p>8. Care Leavers are supported in education, training and employment and housing options.</p>	<p>Increase the number of supported accommodation placements</p> <p>Increase the number of move-on accommodation suitable for young people</p> <p>Increase options for young people experiencing or at risk of homelessness</p> <p>Work with partners inside and external to the Council to develop apprenticeship opportunities</p>	<p># young people in supported accommodation provision</p> <p># care experienced young people transitioned to living independently in permanent accommodation</p> <p># care leavers in employment or training</p>	<p>Service Manager, Residential Care</p> <p>Housing Options Manager</p> <p>Head of Service</p>
<p>9. Care Experienced children and young people are treated as valued members of the community, whose voices are heard, respected and taken into account in all decisions.</p>	<p>Increase the involvement of young people in Corporate Parenting Panel and ensure minutes are distributed to young people.</p> <p>Hold engagement events</p>	<p># events and # young people attending</p> <p>Feedback from</p>	<p>Lead Member</p> <p>Service Manager (Long-Term-Support)</p>

	Develop a way for panel to recognise and celebrate the achievements of Children Looked After and Care Leavers	care experienced young people	
10. Care experienced children and young people are intrinsically involved in the development of practice and the wider service.	<p>Develop the Young People's Panel</p> <p>Involve young people in Foster Care recruitment and training</p> <p>Involve young people in the implementation of residential and support accommodation provision</p>	Feedback from Young People's Panel	Service Manager and Team Manager Long-Term-Support Team

1b Review of Action Plan 22-25

No.	What will we do?	How will we do it?	Who is responsible	How will we measure progress?	Progress at Dec 2025	RAG
1.	Increase elected members understanding	Induct all elected members	Lead Member for Children and Young People	Elected members inducted	Corporate Parenting training was included in the induction of elected members following local government elections; however,	

Standing Action	of their responsibilities as Corporate Parents	Hold annual corporate parenting members' seminar Present annual report on Corporate Parenting to Full Council.	HoS	Elected members attending corporate parenting seminar Dates of annual reports to council	members elected following the May 2022 were not inducted. A new induction programme is required and a mid-point corporate parenting seminar should be held.	
2. Standing Action	Ensure that consideration of Corporate Parenting responsibilities remains high profile within the Council's Senior Leadership Team	Represent the rights of CLA and CEYP at SLT Annual reports	Chief Officer SCH	Dates of annual reports	Corporate Parenting remains a high priority within the Council's Senior Leadership Team and Political Leadership with a number of key reports related to care experienced children and young people presented during the period.	
3. Standing Action	Celebrate the achievements of looked after children and care leavers and our foster carers.	Introduce a programme of individual achievement awards	Youth / Enterprise leads together with Children's Services with the support of Corporate Parenting Panel and Foster Carer reps	Awards made Dates of events	The panel has not developed a way of celebrating individual achievements. Foster Carer Appreciation Events are held annually to recognise and value the contribution foster carers make. Thank you, cards are sent together with a small gift to foster carers at Christmas. Milestones in terms of long service are recognised by the Head of Service.	

		Host an achievement event				
4. Standing Action	Ensure that children and young people in care and care leavers have a voice, are heard and can influence service development	Support the development of young people's participation group Implement CLA survey and respond to outcomes	Youth lead working with Team Manager, Long-Term Support	LTST Participation Action Plan.	<p>Regular engagement events between Care Leavers and Corporate Parenting Panel are established.</p> <p>However, improvement is needed in how outcomes from these events are taken forward. The Long-Term Support Team (14+) has been tasked with taken this forward.</p> <p>A formal participation group has been difficult to establish however a Care Leavers group was established in 2025, which could be extended to Children Looked After.</p> <p>There is a group of young people who are regularly and actively involved in the recruitment of key posts, and the development of the Residential service.</p>	
5. New Action	Ensure that children and young people are provided with information about their placement as part of	Create physical and digital booklets about our foster carers that can be shared with children prior to placement	Team Manager – PAST working with Team Manager LTST	Monitoring frequency	<p>A digital booklet, which can also be printed in a physical format, has been created with involvement from children and young people to help them with placement moves.</p> <p>The Big Welcome (information about foster carers for children) is being rolled out for all new foster carers and children moving placements.</p>	

	placement moves				Children moving into in-house residential provisions are a child-focussed transition period with child-friendly information about the carers and the house.	
6. Standing Action	Ensure that all Looked After Children and young people are offered advocacy through an 'active offer'	Promote the 'active offer' within social work teams and foster carers	HoS NYAS	# active offers # LAC / Care leavers involved in advocacy	This action is fully implemented	
7. Standing Action	Make every effort to avoid unnecessary changes of placement.	Training, supervision and support for foster carers both 'practical' and 'psychological'. Ensure all foster carers are aware of the support available through BASE and MyST. Ensure good practice around matching processes. Ensure referrals to PAST are accurate	Service Manager, Managed Care Service Manager Wellbeing and Family Support	# of unplanned placement moves / placement breakdowns	Practice improvement activity has ensured that placement instability is addressed in a timely manner. This is embedded within the in-house foster carer community and forums for raising extra support when required are established. Management and Leadership oversight mechanisms remain active and to focus early on placements under pressure as well as multiagency forums to target appropriate support for children with complex care. BASE support remains available to foster carers and BASE are involved in Placement Stability meetings.	

		including completing 'All About Me' Ensure 'Stable Lives, Brighter Futures' arrangements are fully complied with				
8. New Action	Implement the Foster Carer's Charter	The Foster Carer's Charter represents a commitment on behalf of MCC	Service Manager Wellbeing and Family Support	Implementation plan in place Audit and monitoring of implementation Feedback from foster carers	Action is fully implemented	
9. Standing Action (Amended)	Ensure appropriate support available to Special Guardians	Review of SGO policy and practice and implement new arrangements	Service Manager, Managed Care	# SGO support plans # SGO breakdowns and reasons	A 2 nd review of the SGO policy is underway to review the funding and support required. Families Together Team remains the vehicle for assessment of and support provided to SGO carers with a range of both formal and informal support options available. The number of SGOs in place (and being made directly from a court process has significantly increased)	
10.	Ensure that adoption processes and	Ensure that operational link	Service Manager, Managed Care	SEWAS annual report including # of POs	The HoS and Service Manager are members of the SEWAS Management Board which regularly reports and raises issues related to	

Standing Action	adoption support is in place and working well	with SEWAS is working well	working with SEWAS	made and # of adoptions achieved	<p>Monmouthshire children and practice and consolidates the relationship between SEWAS and Children Services.</p> <p>Ongoing adoption training is in place across the service.</p> <p>Life Story work in Monmouthshire has become the template for exemplars in SEWAS.</p> <p>Adoptions have been made appropriately for Monmouthshire children and numbers have improved.</p>	
11. Standing Action	Increase the number of CLA placements with Monmouthshire Foster Carers	<p>Implement the objectives of the fostering project</p> <p>Development of the Fostering Strategy</p>	Service Manager, Managed Care working with the fostering project board	<p># increase in placements with Monmouthshire carers</p> <p>Reduction in dependence on IFA carers</p>	A Foster Carer Recruitment Strategy has been in place from 2023. This is currently being reviewed and updated to cover the period 2026-29. The strategy has driven a coordinated and coherent approach to recruitment and a significant increase in recruitment activity across the year. This has translated into increased numbers of enquiries, home visits, applications and ultimately approvals. There are now more children with in-house carers than with IFA carers.	
12. Standing Action	Increase the options for support and accommodation for care leavers including 'When	Implementation of the CLA / commissioning strategy Where I am Safe	Service Manager, Managed Care working with Lead Commissioner for CS	# Care Leavers experiencing period of homelessness or living in unsuitable accommodation	<p>A WIR Strategy has been written and is in the process of being implemented.</p> <p>The BIP pilot has concluded and MCC has contributed to the evaluation undertaken by CASCADE – WG have decided not to take this programme forward.</p>	

	I am Ready' placements	<p>Implement outcomes from the IPC review</p> <p>Complete Placement Commissioning Strategy for Monmouthshire</p> <p>Support CEYP as the Basic Income Pilot is rolled out.</p>			A placement development strategy has been endorsed by council and is being implemented. This has seen an increase of 5 new placements for 16 + with 2 further projects in development	
13. Standing Action	Ensure that all children who are looked after have a good understanding of their own "life-story" – why they live where they do and what the plans for their future are.	Ensure Support Workers, Social Workers and Foster Carers have skills and confidence in completing life-story work.	Service Manager, Managed Care	Via the SEWAS management Board data	<p>Life Story work for Children Looked After remains a priority in the service with consideration given to how this is done in retrospect for children who have been Looked After pre-2023.</p> <p>Whole Service Training has focused on child centred recordings to support young people's understanding of decisions and actions taken in their lives</p> <p>Pilot of BASE support for Care Leavers when reading their case files started November 25</p>	
14.	Narrow the gap of educational achievement	Ensure that cluster bids are strategic and are	Inclusion Manager CYP	# (%) children reaching expected levels at key-stage	PEPS timescales are improved and an ongoing part of the LTST development plan	

<p>Standing Action</p>	<p>between children who are looked after and their peers</p>	<p>focussed upon improving outcomes for CLA pupils.</p> <p>Report CLA outcomes on a cohort basis (e.g. mainstream, ALN, Unaccompanied Asylum Seekers and CLA in PRU)</p> <p>Ensure PEPs are completed within timescales; are of high quality and based on a multi-disciplinary approach</p>	<p>Social Services Service Manager</p>	<p>Closing the gap between universal outcomes and CLA pupils at each key stage</p>	<p>UASC assessment processes target language skills and access to education</p> <p>Corporate Parenting Panel receives an annual report into the attainment and progress of CLA within the school system</p>	
<p>15. Standing Action</p>	<p>Ensure that all CLA and CEYP are fully supported to engage in education, training or employment post-16</p>	<p>Ensure that Pathway Plans are implemented through a partnership approach</p>	<p>Enterprise Leads together with Team Manager Long-Term Support</p>	<p># (%) of care leavers who are in education, training or employment</p>	<p>Multiagency Pathway Planning continues to develop, is reviewed regularly and quality assurance processes are in place.</p> <p>Care leavers are actively supported by their PAs.</p> <p>Care Leavers tell us that they feel there is inadequate viable employment opportunities and that some care leavers feel 'stuck' in a benefit trap. Care leavers have raised this with the local MP.</p>	

16. Standing Action	Ensure the health needs of CLA and CEYP people are met	Undertake CLA health assessments Ensure that Health records and information travels with children moving placements or entering care	Lead Nurse for CLA ABUHB	81% (163) CLA health assessments were completed on time. Annual report	Disruption in CLA Health Assessments, due to changes in Health personnel are now back underway. Health and dental check-ups are reviewed at CLA Reviews by IRO and is now tracked by management via database	
17. Standing Action	Promote good emotional health and safe behaviours amongst all our CLA.	Support carers in meeting the emotional needs of CLA and young people Ensure CLA and young people have access to psychological and therapeutic support	Service Manager wellbeing and Family Support, Service Manager for Managed Care working with Family Support services, BASE and MyST		There is ongoing psychological support for children's mental and emotional health through BASE and MyST services. There remains good multiagency liaison Children Looked After and Care Leavers are able to access appropriate Health Services. In-house residential workforce are inducted and trained in attachment / trauma informed approaches and received regular therapeutic consultation	
18. Standing Action	Ensure that all CLA and CEYP have access to a full range of 'extra-curricula' activities	Support carers and young people to access activities and events as identified based on understanding of children / young people's	Service Manager, Managed Care working with youth, enterprise and leisure leads and schools	# CLA / CEYP participating in clubs and events	In House Foster Carers and Residential Services are key to the engagement of young people in extracurricular activities, this is on a child's individual plan and overseen by management and IRO – Training is focused on this support.	

		interests and potential				
19. New Action	Ensure that foster carers receive the support and recognition they need to provide stable, secure and high quality placements to children who are looked after.	<p>Fostering Strategy</p> <p>Implement the proposed out of hours support line for foster carers.</p> <p>Review the core offer to foster carers to ensure it matches other fostering teams across Gwent.</p> <p>Actively seek additional benefits for foster carers including the Blue Light Card, free or discounted leisure passes, discounting council tax.</p> <p>Utilise the strengths in the social capital of Monmouthshire by actively</p>	Service Manager, Wellbeing and family support	<p>Implementation of support line</p> <p># calls</p> <p>Review of regional core offer to identify opportunities to develop local offer.</p> <p>Council to consider opportunities to develop and improve the local offer.</p> <p>Work with Comms team to maximise opportunities to leverage social capital for the benefit of foster carers.</p> <p># of consultation events</p> <p>Action taken as a result of feedback.</p> <p>Improvement in feedback</p>	<p>A review of Foster Carer fees led to fees being uplifted and brought into line with the region.</p> <p>All foster carers have a Supervising Social Worker and regular supervision. An audit of supervision has been undertaken to ensure it is timely and of good quality.</p> <p>All foster carers have a Learning and Development Plan which ensures they are accessing minimum core training and are encouraged to take up additional training. Training is linked to the Skills Framework which provides a financial incentive for foster carers to engage in learning and development.</p> <p>Out of Hours Support Line is embedded and well used.</p> <p>The Care Friends App is in place with a high % of foster carers accessing it.</p> <p>Consultations events with foster carers to talk directly to senior managers take place across the county on a regular basis encouraging maximin take up.</p> <p>BASE and MyST routinely attend the regular Foster Carer Support Groups</p> <p>Foster Carers have the opportunity to attend formal and informal social events from the</p>	

		<p>seeking community support for foster carers.</p> <p>Run regular consultation events with foster carers to enable them to have their voices heard with regard to their support and training needs, service delivery and improvement.</p> <p>Promote attendance at support groups and ensure BASE, MyST and other relevant individuals attend on a regular basis.</p>		<p>Monitor attendance.</p>	<p>annual Foster Carer Appreciation event in Foster Care Fortnight, to coffee mornings and Easter, summer, Halloween and Christmas parties.</p> <p>A quarterly Newsletter is provided to foster carers with updates, information and good news stories.</p>	
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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 Diane Corrister</p> <p>Phone no: E-mail:dianecorrister@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To present the Corporate Parenting Strategy (2025 – 2028) setting out the responsibility of the council regarding care experienced children and young people. To review the progress against the CP Strategy 2022 – 25 and sets out the actions for the period 2025-28</p>
<p>Name of Service area</p> <p>Health and Social Care - Children's Services</p>	<p>Date: Feb 2026</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	This strategy covers and includes children from birth to age 25 who are Looked After and or Care Experienced within the values of the Council and within the spirit of the Social Services and Wellbeing (Wales) Act 2025 which includes any other form of protected characteristics	None	none

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	This strategy covers and includes children from birth to age 25 who are Looked After and or Care Experienced within the values of the Council and within the spirit of the Social Services and Wellbeing (Wales) Act 2025 which includes any other form of protected characteristics including children with a disability.	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> This strategy covers and includes children from birth to age 25 who are Looked After and or Care Experienced within the values of the Council and within the spirit of the Social Services and Wellbeing (Wales) Act 2025 which includes any other form of protected characteristics including gender reassignment	None	n/a
Marriage or civil partnership	N/A	None	N/A
Pregnancy or maternity	=This strategy covers and includes children from birth to age 25 who are Looked After and or Care Experienced within the values of the Council and within the spirit of the Social Services and Wellbeing (Wales) Act 2025 which includes any other form of protected characteristics including young people who are pregnant or parents	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	This strategy covers and includes children from birth to age 25 who are Looked After and or Care Experienced within the values of the Council and within the spirit of the Social Services and Wellbeing (Wales) Act 2025 which includes any other form of protected characteristics. The strategy emphasizes the requirement to take into account children's individual profiles and needs.	None	N/A
Religion or Belief	This strategy covers and includes children from birth to age 25 who are Looked After and or Care Experienced within the values of the Council and within the spirit of the Social Services and Wellbeing (Wales) Act 2025 which includes any other form of protected characteristics. The strategy emphasizes the requirement to take into account children's individual profiles and needs.	None	N/a
Sex	This strategy covers and includes children from birth to age 25 who are Looked After and or Care Experienced within the values of the Council and within the spirit of the Social Services and Wellbeing (Wales) Act 2025 which includes any other form of protected characteristics. The strategy emphasizes the requirement to take into account children's individual profiles and needs	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?
Sexual Orientation	This strategy covers and includes children from birth to age 25 who are Looked After and or Care Experienced within the values of the Council and within the spirit of the Social Services and Wellbeing (Wales) Act 2025 which includes any other form of protected characteristics. The strategy emphasizes the requirement to take into account children's individual profiles and needs	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	The strategy sets out that the council has a duty to support care experienced children and young people overcome disadvantage and has a duty to help young people access work, education or employment.	None	n/a

3. Policy making and the Welsh language.

How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<p>Policy Making</p> <p>Effects on the use of the Welsh language,</p> <p>Promoting Welsh language</p> <p>Treating the Welsh language no less favorably</p>	<p>More than Words strategy delivers our responsibility for the Welsh Language</p>	<p>None</p>	<p>n/a</p>
<p>Operational</p> <p>Recruitment & Training of workforce</p>	<p>All posts for residential care workers, social workers and support workers generated are advertised in Welsh.</p> <p>It would be beneficial to recruit more carers who are Welsh speakers.</p> <p>The strategy sets out how placement development work is allowing more children to remain in Wales / Monmouthshire where they can continue to learn Welsh at school and retain their Welsh identify</p>	<p>None</p>	<p>None</p>
<p>Service delivery</p> <p>Use of Welsh language in service delivery</p>	<p>Choice and Use of first language is supported and offered as part of all child and carer intervention.</p> <p>Accredited Interpretation services are available</p>	<p>None</p>	<p>None</p>

Promoting use of the language			
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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	This strategy aims to support care experienced young people to access appropriate care, support, education, training and opportunities in order to positively contribute to their communities and to the prosperity of Wales. The development of residential provision supports local employment opportunities.	Increase opportunities for care experienced people to gain employment / apprenticeships.
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)	Where residential care is being developed, attention is paid to ensuring that properties are refurbished to meet low carbon standards.	None
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	This strategy supports the development of appropriate care and therapeutic support to enhance care experienced young people's physical and mental wellbeing.	None
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	This strategy supports the development and integration of children looked after into their communities and is increasing the number of local placements.	None

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 globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>The strategy supports the Council's duty towards unaccompanied asylum-seeking children and young people</p>	<p>None</p>
<p>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</p>	<p>All young people Looked After in Monmouthshire are supported in their heritage, culture and language as in the principles of the Social Service and Wellbeing Act. The strategy supports the increase of local placements for Monmouthshire children.</p>	<p>Increase the number of local placements</p>
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>The strategy supports care experienced children to overcome any loss or disadvantage they may have been exposed to and emphasizes that care experienced children should be given every opportunity to achieve their aspirations and ambitions.</p>	<p>None</p>

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>This strategy recognizes the longer-term sustainability of the service through placement development strategies and the provision / development of effective family support.</p>	<p>n/a</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The Corporate Parenting Panel supports effective partnership working within and outside the council to ensure that we are achieving the best outcomes for children and families within Monmouthshire.</p>	<p>none</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Young people and carers are actively encouraged to be involved in the work of the corporate parenting panel.</p>	<p>Increase opportunities for young people to work collaboratively with the corporate parenting panel</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The strategy emphasizes the importance of preventative family support.</p>	<p>None</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The corporate parenting panel supports partnership working in meeting the wellbeing needs of care experienced people.</p>	<p>n/a</p>

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

	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	The strategy supports safeguarding of children through ensuring good quality care placements and the provision of preventative family support.	<i>.None</i>	None
Corporate Parenting	This is a Corporate Parenting Strategy which details the responsibility of the council- and councilors in meeting their Corporate Parenting responsibilities	n/a	n/a

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

This will include your baseline position, measures and studies that have informed your thinking and the recommendation you are making. It should allow you to identify whether any changes resulting from the implementation of the recommendation have had a positive or negative effect. Data sources include for example:

- *Quantitative data - data that provides numerical information, e.g. population figures, number of users/non-users*
- *Qualitative data – data that furnishes evidence of people’s perception/views of the service/policy, e.g. analysis of complaints, outcomes of focus groups, surveys*
- *Local population data including the census figures*
- *Household survey data*
- *Service User Data e.g. from My Monmouthshire, FLO, PLANT, Mayrise, ONE etc*
- *Evidence and data from Monmouthshire’s Well-being Assessment*
- *Recommendations from Scrutiny or following consultation*
- *Comparisons with similar policies in other authorities*
- *Academic publications, research reports, consultants’ reports, and reports on any consultation with e.g. trade unions or the voluntary and community sectors*

Equalities dashboard link. [Equality data dashboard for EQIA's 2020.xlsx](#)

The evidence and data that has informed this report is:

- 1.The Social Services and Wellbeing (Wales) Act 2014

2. Director's Report 2024/25

3. Service data (children's services and education services)

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?

.This section should summarise the key issues arising from the evaluation. This summary must be included in the Committee report template

The strategy is concerned with the rights of care experienced children and young people, who fall into a protected characteristic by virtue of their age. The strategy recognizes that every child is individual and that children require placements that support their sense of identity and self-worth. The strategy emphasizes the progress that has been achieved over recent years regarding increasing the availability of local placements through the development of residential provision and enhancing the support provided to in-house foster carers. As well as retaining children in Wales this helps to support local employment opportunities. The strategy recognizes the central importance of helping young people to develop the independence, skills and personal resilience they will need to live fulfilled and happy lives.

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
Continue to review and evaluate progress against the 2025-28 action plan	6-monthly	Diane Corrister

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

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	Scrutiny	24th Feb 2026	



REPORT

SUBJECT: COUNCIL TAX RESOLUTION and REVENUE AND CAPITAL BUDGETS FOR 2026/27

DIRECTORATE: Resources

MEETING: Council

DATE: 5th March 2026

DIVISION/WARDS AFFECTED: All

1. PURPOSE

- Page 63
- 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 the format of 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 revenue and capital budget estimates for the year 2026/27 as attached in Appendix 1 to 3 be approved.
- 2.2 It be noted that, at its meeting on 4th March 2026, Cabinet calculated the amounts set out below for the year 2026/27 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 \(legislation.gov.uk\)](https://legislation.gov.uk).

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

- (a) 48,969.69 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 2026/27	Community	Council Tax Base for 2026/27
Abergavenny	5,263.71	Llantrisant Fawr	561.05
Caerwent	1,175.82	Magor with Undy	3,141.92
Caldicot	4,180.04	Mathern	602.73
Chepstow	6,040.12	Mitchell Troy	927.04
Crucorney	768.80	Monmouth	5,472.05
Devauden	740.79	Portskewett	1,444.98
Gobion Fawr	748.69	Raglan	1,181.25
Goetre Fawr	1,211.40	Rogiet	778.62
Grosmont	444.48	Shirenewton	768.03
Llanarth	541.08	St. Arvans	454.45
Llanbadoc	744.71	Skenfrith	446.59
Llanelly	2,067.06	Trellech	1,529.26
Llanfoist Fawr	2,021.38	Usk	1,432.44
Llangybi	876.52	Whitecastle	881.46
Llantilio Pertholey	1,845.67	Wye Valley	677.55
		Total	48,969.69

It is recommended that Council resolves:

- 2.3 That the following amounts be now calculated by the Council for the year 2026/27 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) £243,290,936 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) £144,722,590 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) £2,012.97 being the amount at 2.3(a) and 2.3(c) above less the amount at 2.3(b) above, all divided by the amount at 2.2(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) £4,236,687 being the aggregate amount of all special items referred to in Section 34 of the Act (Town and Community Precepts)
 - (f) £1,926.45 being the amount at 2.3(d) above less the result given by dividing the amount at 2.3(e) above by the amount at 2.2(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 2.2(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	136.98	Llantrisant Fawr	35.65
Caerwent	49.60	Magor with Undy	124.13
Caldicot	125.16	Mathern	40.22
Chepstow	134.60	Mitchell Troy	18.34
Crucorney	21.85	Monmouth	107.49
Devauden	66.91	Portskewett	38.03
Gobion Fawr	23.37	Raglan	35.14
Goetre Fawr	47.05	Rogiet	99.64
Grosmont	78.74	Shirenewton	62.63
Llanarth	18.48	St. Arvans	55.01
Llanbadoc	37.27	Skenfrith	38.07
Llanelly	53.22	Trellech	36.87
Llanfoist Fawr	31.17	Usk	130.20
Llangybi	21.11	Whitecastle	30.79
Llantilio Pertholey	59.60	Wye Valley	47.95

- (h) The County Council Area, being the amounts given by multiplying the amount at 2.3(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	1,284.30	1,498.35	1,712.40	1,926.45	2,354.55	2,782.65	3,210.75	3,852.90	4,495.05

- (i) Part of the Council's Area, being the amounts given by multiplying the amounts at 2.3(g) and 2.3(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	1,375.62	1,604.89	1,834.16	2,063.43	2,521.97	2,980.51	3,439.05	4,126.86	4,814.67
Caerwent	1,317.37	1,536.93	1,756.49	1,976.05	2,415.17	2,854.29	3,293.42	3,952.10	4,610.78
Caldicot	1,367.74	1,595.70	1,823.65	2,051.61	2,507.52	2,963.44	3,419.35	4,103.22	4,787.09
Chepstow	1,374.03	1,603.04	1,832.04	2,061.05	2,519.06	2,977.07	3,435.08	4,122.10	4,809.12
Crucorney	1,298.87	1,515.34	1,731.82	1,948.30	2,381.26	2,814.21	3,247.17	3,896.60	4,546.03
Devauden	1,328.91	1,550.39	1,771.88	1,993.36	2,436.33	2,879.30	3,322.27	3,986.72	4,651.17
Gobion Fawr	1,299.88	1,516.53	1,733.17	1,949.82	2,383.11	2,816.41	3,249.70	3,899.64	4,549.58
Goetre Fawr	1,315.67	1,534.94	1,754.22	1,973.50	2,412.06	2,850.61	3,289.17	3,947.00	4,604.83
Grosmont	1,336.79	1,559.59	1,782.39	2,005.19	2,450.79	2,896.39	3,341.98	4,010.38	4,678.78
Llanarth	1,296.62	1,512.72	1,728.83	1,944.93	2,377.14	2,809.34	3,241.55	3,889.86	4,538.17
Llanbadoc	1,309.15	1,527.34	1,745.53	1,963.72	2,400.10	2,836.48	3,272.87	3,927.44	4,582.01
Llanelly	1,319.78	1,539.74	1,759.71	1,979.67	2,419.60	2,859.52	3,299.45	3,959.34	4,619.23
Llanfoist Fawr	1,305.08	1,522.59	1,740.11	1,957.62	2,392.65	2,827.67	3,262.70	3,915.24	4,567.78
Llangybi	1,298.37	1,514.77	1,731.16	1,947.56	2,380.35	2,813.14	3,245.93	3,895.12	4,544.31
Llantilio Pertholey	1,324.03	1,544.71	1,765.38	1,986.05	2,427.39	2,868.74	3,310.08	3,972.10	4,634.12
Llantrisant Fawr	1,308.07	1,526.08	1,744.09	1,962.10	2,398.12	2,834.14	3,270.17	3,924.20	4,578.23
Magor with Undy	1,367.05	1,594.90	1,822.74	2,050.58	2,506.26	2,961.95	3,417.63	4,101.16	4,784.69
Mathern	1,311.11	1,529.63	1,748.15	1,966.67	2,403.71	2,840.75	3,277.78	3,933.34	4,588.90
Mitchell Troy	1,296.53	1,512.61	1,728.70	1,944.79	2,376.97	2,809.14	3,241.32	3,889.58	4,537.84
Monmouth	1,355.96	1,581.95	1,807.95	2,033.94	2,485.93	2,937.91	3,389.90	4,067.88	4,745.86
Portskewett	1,309.65	1,527.93	1,746.20	1,964.48	2,401.03	2,837.58	3,274.13	3,928.96	4,583.79
Raglan	1,307.73	1,525.68	1,743.64	1,961.59	2,397.50	2,833.41	3,269.32	3,923.18	4,577.04
Rogiet	1,350.73	1,575.85	1,800.97	2,026.09	2,476.33	2,926.57	3,376.82	4,052.18	4,727.54
Shirenewton	1,326.05	1,547.06	1,768.07	1,989.08	2,431.10	2,873.12	3,315.13	3,978.16	4,641.19
St. Arvans	1,320.97	1,541.14	1,761.30	1,981.46	2,421.78	2,862.11	3,302.43	3,962.92	4,623.41
Skenfrith	1,309.68	1,527.96	1,746.24	1,964.52	2,401.08	2,837.64	3,274.20	3,929.04	4,583.88
Trellech	1,308.88	1,527.03	1,745.17	1,963.32	2,399.61	2,835.91	3,272.20	3,926.64	4,581.08
Usk	1,371.10	1,599.62	1,828.13	2,056.65	2,513.68	2,970.72	3,427.75	4,113.30	4,798.85

Whitecastle	1,304.83	1,522.30	1,739.77	1,957.24	2,392.18	2,827.12	3,262.07	3,914.48	4,566.89
Wye Valley	1,316.27	1,535.64	1,755.02	1,974.40	2,413.16	2,851.91	3,290.67	3,948.80	4,606.93

- 2.4 That it be noted for the year 2026/27 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	269.02	313.86	358.69	403.53	493.20	582.88	672.55	807.06	941.57

- 2.5 That, having calculated the aggregate in each case of the amounts at 2.3(i) and 2.4 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 2026/27 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	1,644.64	1,918.75	2,192.85	2,466.96	3,015.17	3,563.39	4,111.60	4,933.92	5,756.24
Caerwent	1,586.39	1,850.79	2,115.18	2,379.58	2,908.37	3,437.17	3,965.97	4,759.16	5,552.35
Caldicot	1,636.76	1,909.56	2,182.34	2,455.14	3,000.72	3,546.32	4,091.90	4,910.28	5,728.66
Chepstow	1,643.05	1,916.90	2,190.73	2,464.58	3,012.26	3,559.95	4,107.63	4,929.16	5,750.69
Crucorney	1,567.89	1,829.20	2,090.51	2,351.83	2,874.46	3,397.09	3,919.72	4,703.66	5,487.60
Devauden	1,597.93	1,864.25	2,130.57	2,396.89	2,929.53	3,462.18	3,994.82	4,793.78	5,592.74
Gobion Fawr	1,568.90	1,830.39	2,091.86	2,353.35	2,876.31	3,399.29	3,922.25	4,706.70	5,491.15
Goetre Fawr	1,584.69	1,848.80	2,112.91	2,377.03	2,905.26	3,433.49	3,961.72	4,754.06	5,546.40
Grosmont	1,605.81	1,873.45	2,141.08	2,408.72	2,943.99	3,479.27	4,014.53	4,817.44	5,620.35
Llanarth	1,565.64	1,826.58	2,087.52	2,348.46	2,870.34	3,392.22	3,914.10	4,696.92	5,479.74
Llanbadoc	1,578.17	1,841.20	2,104.22	2,367.25	2,893.30	3,419.36	3,945.42	4,734.50	5,523.58
Llanelly	1,588.80	1,853.60	2,118.40	2,383.20	2,912.80	3,442.40	3,972.00	4,766.40	5,560.80
Llanfoist Fawr	1,574.10	1,836.45	2,098.80	2,361.15	2,885.85	3,410.55	3,935.25	4,722.30	5,509.35
Llangybi	1,567.39	1,828.63	2,089.85	2,351.09	2,873.55	3,396.02	3,918.48	4,702.18	5,485.88
Llantilio Pertholey	1,593.05	1,858.57	2,124.07	2,389.58	2,920.59	3,451.62	3,982.63	4,779.16	5,575.69
Llantrisant Fawr	1,577.09	1,839.94	2,102.78	2,365.63	2,891.32	3,417.02	3,942.72	4,731.26	5,519.80
Magor with Undy	1,636.07	1,908.76	2,181.43	2,454.11	2,999.46	3,544.83	4,090.18	4,908.22	5,726.26
Mathern	1,580.13	1,843.49	2,106.84	2,370.20	2,896.91	3,423.63	3,950.33	4,740.40	5,530.47
Mitchell Troy	1,565.55	1,826.47	2,087.39	2,348.32	2,870.17	3,392.02	3,913.87	4,696.64	5,479.41
Monmouth	1,624.98	1,895.81	2,166.64	2,437.47	2,979.13	3,520.79	4,062.45	4,874.94	5,687.43
Portskewett	1,578.67	1,841.79	2,104.89	2,368.01	2,894.23	3,420.46	3,946.68	4,736.02	5,525.36
Raglan	1,576.75	1,839.54	2,102.33	2,365.12	2,890.70	3,416.29	3,941.87	4,730.24	5,518.61
Rogiet	1,619.75	1,889.71	2,159.66	2,429.62	2,969.53	3,509.45	4,049.37	4,859.24	5,669.11
Shirenewton	1,595.07	1,860.92	2,126.76	2,392.61	2,924.30	3,456.00	3,987.68	4,785.22	5,582.76
St. Arvans	1,589.99	1,855.00	2,119.99	2,384.99	2,914.98	3,444.99	3,974.98	4,769.98	5,564.98
Skenfrith	1,578.70	1,841.82	2,104.93	2,368.05	2,894.28	3,420.52	3,946.75	4,736.10	5,525.45
Trellech	1,577.90	1,840.89	2,103.86	2,366.85	2,892.81	3,418.79	3,944.75	4,733.70	5,522.65
Usk	1,640.12	1,913.48	2,186.82	2,460.18	3,006.88	3,553.60	4,100.30	4,920.36	5,740.42
Whitecastle	1,573.85	1,836.16	2,098.46	2,360.77	2,885.38	3,410.00	3,934.62	4,721.54	5,508.46
Wye Valley	1,585.29	1,849.50	2,113.71	2,377.93	2,906.36	3,434.79	3,963.22	4,755.86	5,548.50

- 2.6 That there will be no changes to Council Tax Premiums charged. This means that in 2026/27 Council Tax Premiums for long term empty properties will be charged at a premium rate of between 100% to 300% above the standard rate of council tax for dwellings that are defined as long term empty and have been empty for a continuous period of one year. A 100% premium applies to properties empty for one year, a 200% premium applies to properties empty for two years and a 300% premium applies to properties empty for three years or more.
- 2.7 For dwellings defined as a second home, a 100% premium above the standard rate of council tax will be charged.
- 2.8 That Mr M Ransom, Mr M Owen, Ms L Crump, Mrs S Knight and Mr P Jones of the Revenues Shared Service be authorised under Section 223 of the Local Government Act 1972 to prosecute and appear on behalf of Monmouthshire County Council in proceedings before a Magistrates Court for the purpose of applying for Liability Orders in respect of Council Tax and Non-Domestic Rates.

3. KEY ISSUES

- 3.1 The final revenue and capital budgets for 2026/27 were endorsed by Cabinet on 4 March 2026.
- 3.2 The budget has been prepared within a challenging financial environment, shaped by sustained inflationary pressures, rising demand for key services - particularly within social care and education, and continued uncertainty over future funding levels. Against this backdrop, the proposals seek to balance financial sustainability with the need to protect essential frontline services and to prioritise investment in areas of greatest need.
- 3.3 Cabinet published its draft budget proposals on 21 January 2026, identifying an estimated increase of £16.8 million in the cost of delivering services compared to 2025/26. The draft budget prioritised investment in social care, education, infrastructure and community wellbeing, while maintaining core services relied upon by residents. A 5.95% increase in Council Tax was proposed in order to balance the budget, alongside the continued operation of the Council Tax Reduction Scheme to protect households on low incomes.
- 3.4 A comprehensive programme of public and stakeholder consultation was undertaken between 22 January and 18 February 2026, alongside consideration by Scrutiny Committees and the Joint Advisory Group. Consultation responses demonstrated a broad understanding of the financial pressures facing the Council and general support for protecting priority services. However, respondents expressed significant concern regarding the condition of roads and the prevalence of potholes, as well as concern about the affordability of Council Tax increases in the context of the ongoing cost-of-living pressures.
- 3.5 Cabinet carefully considered the consultation feedback and weighed this alongside the Council's statutory responsibilities, the level of demand currently being experienced across key services, and the need to maintain financial sustainability.

- 3.6 The final Local Government funding settlement confirmed a 4.4% increase in funding, equivalent to £6.15 million, with no material changes from the draft position.
- 3.7 A number of refinements have been made since draft stage, including updated capital financing costs, service efficiencies, grant notifications and contingency adjustments.
- 3.8 Cabinet concluded that the proposed Council Tax increase remains necessary in order to balance the budget, protect essential frontline services, and enable continued investment in areas of highest need, particularly social care, education and infrastructure. In reaching this decision, Cabinet also reaffirmed its commitment to mitigating the impact on the most vulnerable through the continued operation of the Council Tax Reduction Scheme and by maximising take-up of exemptions and reliefs.
- 3.9 Consultation responses highlighted that, notwithstanding the additional investment made by the Council during this Cabinet's administration – including further funding for carriageway resurfacing and pothole repairs supported through initiatives such as the Local Government Borrowing Initiative – the condition of the County's road network remains a significant concern for residents.
- 3.10 In response to the strength and consistency of feedback received through the consultation process, Cabinet recommended additional capital investment of £2 million, phased over a three-year period, to further address potholes and the condition of the County's road network. This investment is intended to complement existing highways maintenance programmes and enable a more sustained and preventative approach to carriageway condition, recognising the importance of safe and well-maintained roads to residents, businesses and local communities.
- 3.11 The final budget proposals continue to prioritise investment in preventative services, infrastructure resilience and community wellbeing, while maintaining core services and managing financial risk. The report also includes the Responsible Financial Officer's statutory opinion on the robustness of the budget and the adequacy of reserves, Prudential Indicators for capital financing, and the updated medium-term financial projection, which identifies significant financial challenges beyond 2026/27 that will require ongoing service reform and financial planning.
- 3.12 Council is therefore asked to approve the 2026/27 Revenue and Capital Budgets, adopt the associated Prudential Indicators, and set Council Tax at an increase of 5.95% for County purposes, enabling the Council to continue delivering essential services while maintaining a sustainable financial position.
- 3.13 In terms of setting council tax for 2026/27, 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 2.5 discharges these obligations.
- 3.14 The Council is also required to authorise officers to undertake advance recovery action through the Courts where necessary. The authorising recommendation appears at 2.8 above.

4. OPTIONS APPRAISAL

Not applicable as this is a statutory report.

5. EVALUATION CRITERIA

Not applicable.

6. REASONS

6.1 To approve the summary revenue and capital budget for 2026/27.

6.2 To set the Council Tax for the 2026/27 financial year.

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

RESOURCE IMPLICATIONS:

As identified in the report.

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 recommending the budget on 4th March 2026. The relevant information is contained in the Cabinet papers for the Final 2026/27 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 2026/27 budget proposals and contains the statutory decisions in relation to setting council tax for 2026/27. The budget has undergone considerable consultation to arrive at the recommendations made.

10. BACKGROUND PAPERS:

Final revenue and Capital budget 2026/27: Cabinet 4th March 2026

11. AUTHORS:

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APPENDICES

Appendix 1 – Revenue Budget summary 2026/27 and indicative budgets to 2029/30

Appendix 2 – Reconciliation through the 2026/27 revenue budget process

Appendix 3 – Capital Budget summary 2026/27 and indicative budgets to 2029/30

Appendix 1 – Revenue Budget summary 2026/27 and indicative budgets to 2029/30

Services	Adjusted Base Budget 2025/26	Final Budget 2026/27 £000's	Indicative Budget 2027/28 £000's	Indicative Budget 2028/29 £000's	Indicative Budget 2029/30 £000's
Learning, Skills and Economy	72,635	76,200	78,118	80,133	82,168
Social Care & Health	78,187	81,670	82,638	83,636	84,664
Infrastructure	23,252	25,781	26,335	26,918	27,548
Place & Community Wellbeing	5,818	5,801	6,000	6,206	6,420
Resources	8,798	9,004	9,201	9,456	9,719
People, Performance and Partnerships	6,273	6,893	6,915	7,117	7,325
Law & Governance	3,089	3,248	3,514	3,433	3,530
Insurances, Levies, Non-allocated budgets	7,209	11,819	20,708	29,614	38,245
Capital debt financing costs	9,076	9,501	10,616	10,958	10,954
Transfers to reserves	693	735	761	788	816
Transfers from reserves	(541)	(947)	(516)	(341)	(341)
Precept payment - Police	18,325	19,761	20,541	21,353	22,196
Precept - Community Councils	3,964	4,237	4,404	4,578	4,759
Total Expenditure Budget	236,778	253,703	269,236	283,848	298,002
Aggregate External Financing (AEF)	(135,248)	(144,723)	(146,025)	(147,631)	(149,255)
Council Tax (MCC)	(78,626)	(84,325)	(87,656)	(91,118)	(94,718)
Council Tax (MCC Premium)	(615)	(657)	(683)	(710)	(738)
Council Tax – Precept Police	(18,325)	(19,761)	(20,541)	(21,353)	(22,196)
Council Tax – Precept Community Councils	(3,964)	(4,237)	(4,404)	(4,578)	(4,759)
Sub Total Financing	(236,778)	(253,703)	(259,309)	(265,390)	(271,666)
(Surplus)/Deficit	0	0	9,927	18,458	26,336

Appendix 2 – Reconciliation through the 2026/27 revenue budget process

Draft Revenue Budget proposals £000's		Final Settlement Changes		March 2026 Cabinet and Final budget recommendations to Council			
Net Expenditure Budgets	Draft Budget 2026/27	Adjustment to AEF	Settlement pressures / adjustments	Changes to Pressures	Changes to Savings	Final amendments	Final budget recommended 2026/27
Learning, Skills and Economy	76,256					(56)	76,200
Social Care & Health	81,832					(162)	81,670
Infrastructure	25,958				(100)	(76)	25,781
Place & Community Wellbeing	5,810					(8)	5,801
Resources	9,018					(15)	9,004
People, Performance and Partnerships	6,724					169	6,893
Law & Governance	3,249					(1)	3,248
Insurances, Levies, Non-allocated budgets	11,810			57		(50)	11,819
Community Council precept	3,964					273	4,237
Gwent Police precept	19,415					346	19,761
Sub Total	244,035	0	0	57	(100)	420	244,413
Borrowing Costs	9,868					(367)	9,501
Contributions to Earmarked reserves	735						735
Contributions from Earmarked reserves	(840)					(107)	(947)
Total Expenditure	253,799	0	0	57	(100)	(54)	253,703
Funding Budgets							
Aggregate External Financing (AEF)	(144,715)	(8)					(144,723)

Appendix 3 – Capital Budget summary 2026/27 and indicative budgets to 2029/30

Capital budget	Approved Budget 2025/26	Final Budget 2026/27	Indicative Budget 2027/28	Indicative Budget 2028/29	Indicative Budget 2029/30
Expenditure	£	£	£	£	£
Property Maintenance	1,872,357	1,674,907	1,653,357	1,653,357	1,653,357
Property Maintenance Fees	236,194	236,194	236,194	236,194	236,194
County Farms Maintenance	300,773	300,773	300,773	300,773	300,773
Upgrade School Kitchens	39,725	39,725	39,725	39,725	39,725
Asset Management Schemes	2,449,049	2,251,599	2,230,049	2,230,049	2,230,049
Abergavenny 3-19 school	12,232,076	0	0	0	0
School Development Schemes	12,232,076	0	0	0	0
Carriageway major works	1,136,540	1,660,000	1,136,540	1,136,540	1,136,540
Carriageways & Structures - additional improvements	2,743,000	1,312,000	1,312,000	1,312,000	1,312,000
Highways - additional pothole investment	0	667,000	667,000	666,000	0
Safety fence upgrades	76,181	0	76,181	76,181	76,181
Footway Reconstruction	197,453	500,000	197,453	197,453	197,453
Reconstruction of bridges & retaining walls	449,041	1,720,580	449,041	449,041	449,041
Chainbridge Refurbishment	0	2,457,000	2,500,000		
Road safety & trafficman programme	161,508	161,508	129,508	129,508	129,508
Signing upgrades & disabled facilities	38,091	38,091	38,091	38,091	38,091
Street Lighting Defect Column Programme	171,408	171,408	171,408	171,408	171,408
Flood Alleviation Schemes	30,427	30,750	11,427	11,427	11,427
Drainage & Gully works	375,000	375,000	375,000	375,000	375,000
Structural Repairs - Public rights of way	437,091	419,800	118,091	118,091	118,091
Survey's and Closures - Public rights of way	90,000	140,000	90,000	90,000	90,000
Car Park Improvements	0	100,000			
Ash Dieback/Dangerous Trees works	170,000	100,000	100,000	100,000	100,000
Infrastructure & Transport Schemes	6,075,740	9,853,137	7,371,740	4,870,740	4,204,740

Capital Region City Deal	730,200	730,200	730,200	730,200	730,200
S106 Schemes	287,524	0	0	0	0
Regeneration Schemes	1,017,724	730,200	730,200	730,200	730,200
Disabled Facilities Grant	900,000	900,000	900,000	900,000	900,000
Access for all - Schools	50,000	50,000	50,000	50,000	50,000
Access For All	250,000	250,000	250,000	250,000	250,000
Inclusion Schemes	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
ICT Hardware replacement	126,000	123,000	260,000	260,000	260,000
Network Estate replacement	100,000	50,000	50,000	50,000	50,000
SRS capital reserve contribution	61,000	61,000	61,000	61,000	61,000
Business world upgrade transition	40,000	0	0	0	0
Asset Management software transition	51,000	0	0	0	0
Ransomware & security	84,500	136,655	42,000	42,000	42,000
ICT Schemes	462,500	370,655	413,000	413,000	413,000
Vehicle Leasing	1,500,000	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	1,500,000
Capitalisation Directive	3,707,500	2,707,500	1,707,500	707,500	0
Capitalisation Directive	3,707,500	2,707,500	1,707,500	707,500	0
Fixed Asset Disposal Costs	50,000	50,000	50,000	50,000	50,000
Match Funding of Grant applications	500,000	0	0	0	0
Contingency budget	0	0	0	40,000	540,000
Other Schemes	550,000	50,000	50,000	90,000	590,000
Total Expenditure	29,194,590	18,663,092	15,202,490	11,741,490	10,867,990
Funding	£	£	£	£	£
Supported Borrowing	(2,432,000)	(2,406,000)	(2,406,000)	(2,406,000)	(2,406,000)
Unsupported Borrowing	(18,068,566)	(7,109,937)	(5,563,990)	(3,852,990)	(3,686,990)
Grants & Contributions	(3,333,524)	(4,692,000)	(3,872,000)	(3,122,000)	(3,122,000)
Reserve Funded	(103,000)	(197,655)	(103,000)	(103,000)	(103,000)
Capital Receipts	(3,757,500)	(2,757,500)	(1,757,500)	(757,500)	(50,000)
Vehicle Lease Financing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)

Total Funding	(29,194,590)	(18,663,092)	(15,202,490)	(11,741,490)	(10,867,990)
(Surplus) / Deficit	0	0	0	0	0

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REPORT

SUBJECT:	2026/27 Capital Strategy and 2026/27 Treasury Management Strategy
DIRECTORATE:	Resources
MEETING:	Council
DATE:	5th March 2026
DIVISION/WARDS AFFECTED:	Countywide

1. PURPOSE

- 1.1. To approve the Council's 2026/27 Capital and Treasury Management Strategies, including the Minimum Revenue Provision (MRP) policy.

2. RECOMMENDATIONS

- 2.1. That Council approves the Capital strategy for 2026/27 as found at **Appendix 1**.
- 2.2. That Council approves the Treasury management strategy for 2026/27 as found at **Appendix 2**, including the:
 - 2026/27 Minimum Revenue Provision Policy Statement
 - 2026/27 Investment & Borrowing Strategies
- 2.3. That Council agrees that Governance & Audit Committee should continue to review the Council's treasury activities for 2026/27 on behalf of the Council by receiving and considering quarterly treasury update reports and a year-end report.

3. KEY ISSUES:

2026/27 Capital Strategy

Purpose of the report

- 3.1. The strategy provides a high-level framework setting out how the Council plans, prioritises and finances capital investment, and how the associated risks and long-term financial implications are managed.

Context

- 3.2. The Capital Strategy is produced in line with the CIPFA Prudential Code and is intrinsically linked to the Treasury Management Strategy and the Medium Term Financial Plan.

- 3.3. Decisions on capital investment and borrowing have financial consequences that extend over many decades and therefore require a clear, proportionate and prudent framework to support member decision-making.
- 3.4. The strategy has been intentionally written at a high level to support transparency and accessibility, focusing on principles, governance and affordability rather than detailed scheme-by-scheme analysis, which is considered and approved through medium term financial plans and through the annual budget process.

Key messages

- 3.5. The strategy highlights the challenging financial context within which capital investment is being planned. Demand for capital resources continues to exceed the level of funding that the Council can afford, requiring difficult prioritisation decisions and an increased reliance on external grant funding, asset rationalisation and partnership working.
- 3.6. The strategy confirms that:
 - Capital investment remains constrained by ongoing revenue pressures and borrowing affordability limits.
 - The Council's capital programme and borrowing plans are prudent, affordable and sustainable within the parameters of the Medium Term Financial Plan.
 - Clear governance arrangements are in place to prioritise, monitor and scrutinise capital investment decisions.
 - There are increasing risks associated with the timing, uncertainty and conditions attached to capital grant funding, which reinforces the need for a clear strategic framework and disciplined programme management.
 - The Council continues to take a cautious and proportionate approach to borrowing, investments and commercial activity.

Assurance

- 3.7. The Section 151 Officer is satisfied that the Capital Strategy complies with the requirements of the Prudential Code and provides an appropriate framework for managing capital investment, borrowing and risk.
- 3.8. The strategy supports long-term financial sustainability while recognising the operational and financial challenges facing the Council over the medium to longer term.
- 3.9. The strategy will be kept under review and updated annually alongside the Treasury Management Strategy to ensure it remains aligned with the Council's financial position, priorities and risk appetite.

4. 2026/27 Treasury Management Strategy

Purpose of the report

- 4.1. The strategy sets out the Council's approach to managing borrowing, investments, cash flows and treasury-related risks, together with the proposed Minimum Revenue Provision (MRP) Policy Statement for the year.
- 4.2. The strategy is prepared in accordance with the CIPFA Code of Practice on Treasury Management and relevant Welsh Government guidance and is closely aligned with the Capital Strategy and Medium Term Financial Plan.

Context

- 4.3. Treasury management decisions play a critical role in supporting the delivery of the Council's capital programme and in safeguarding the Council's financial resilience. These decisions directly affect the cost of borrowing, the management of cash balances, and the exposure of public funds to financial and credit risks.
- 4.4. The strategy has been deliberately structured to focus on principles, risk management and governance, rather than operational detail, reflecting feedback from previous years and supporting effective member oversight of a highly technical area.

Key messages

- 4.5. The strategy reflects a challenging but stabilising economic environment, with easing inflation and expectations of gradual reductions in short-term interest rates, alongside continued volatility in longer-term borrowing costs. Against this backdrop, the strategy confirms that:
 - The Council continues to adopt a cautious and proportionate approach to treasury management, prioritising security and liquidity over yield.
 - Internal borrowing remains a core element of the strategy, helping to limit exposure to higher long-term borrowing costs while maintaining sufficient liquidity.
 - Borrowing decisions will continue to be closely aligned to the capital programme and will not be undertaken in advance of need other than where this is justified as part of prudent risk management.
 - Investment activity is primarily focused on cash flow management, with strict counterparty limits and ongoing monitoring supported by independent treasury advisers.

Minimum Revenue Provision (MRP) Policy

- 4.6. A key element of this strategy is the proposed Minimum Revenue Provision (MRP) Policy Statement for 2026/27. MRP represents the mechanism through which the Council makes prudent provision for the repayment of capital debt over time.
- 4.7. The strategy recommends continuation of the Council's established approach to MRP, applying the annuity method for borrowing-funded capital expenditure so that financing costs are spread fairly over the useful life of assets. This approach supports long-term affordability, intergenerational equity and financial sustainability.

- 4.8. While Welsh Government has provided time-limited flexibility for 2026/27 in relation to MRP, the proposed strategy does not assume any departure from the Council's prudent MRP methodology. Any future use of such flexibility would require explicit approval by Full Council through a revised MRP Policy Statement.

Assurance

- 4.9. The Section 151 Officer is satisfied that the Treasury Management Strategy and MRP Policy Statement for 2026/27 are compliant with the CIPFA Code and Welsh Government guidance, and that they provide an appropriate framework for managing risk, affordability and long-term financial sustainability.
- 4.10. The strategy will be monitored throughout the year and reported to the Governance and Audit Committee in line with the Council's treasury management reporting arrangements.

5. CONSULTEES:

Deputy Chief Executive

Cabinet Member for Resources

Arlingclose – Treasury Management Advisors to Monmouthshire CC

Governance & Audit Committee

6. APPENDICIES:

Appendix 1 – 2026/27 Capital strategy

Appendix 2 - 2026/27 Treasury Management Strategy including the Minimum Revenue Provision policy statement and Investment & Borrowing Strategies

7. AUTHORS:

Jonathan Davies – Head of Finance (Deputy S151 officer)

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Capital Strategy & Treasury Management Strategy 2026/27

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1. Executive Summary

Capital Strategy

The Capital Strategy is produced in accordance with the CIPFA Prudential Code and provides a high-level framework for how the Council plans, prioritises and finances capital investment. It is intended to support transparency, member understanding and effective governance of decisions that have long-term financial implications.

Capital investment decisions shape the Council's asset base and financial position for many decades. As such, the strategy focuses on ensuring that capital expenditure and borrowing decisions are affordable, prudent and sustainable, and that the associated risks to the Council's future financial resilience are clearly understood and managed.

The strategy sets out the long-term context within which capital decisions are made, recognising the significant financial constraints facing the Council. Demand for capital investment continues to exceed the level of funding that can be supported within the Medium Term Financial Plan, requiring careful prioritisation of schemes, disciplined programme management and a strong focus on value for money.

In recent years, the Council's approach to capital investment has increasingly been shaped by the need to maintain and safeguard existing assets, manage growing maintenance backlogs and address health and safety and statutory requirements. While opportunities to secure external funding and work with partners remain important, the strategy recognises the operational and financial challenges associated with short-term and restricted grant funding and the need to avoid over-reliance on uncertain funding sources.

The Capital Strategy therefore places emphasis on clarity of purpose and outcomes. It provides a framework for balancing competing demands, including maintaining the existing asset base, supporting priority infrastructure and enabling longer-term transformation where this can be achieved within affordable limits. This approach supports consistent decision-making and effective member scrutiny, particularly where difficult trade-offs are required.

The strategy also highlights the close relationship between capital investment, borrowing and treasury management. Decisions on how capital expenditure is financed directly affect future revenue budgets through borrowing costs and Minimum Revenue Provision. The strategy confirms that the Council's approach to borrowing and capital financing remains prudent and aligned with its long-term financial capacity.

Overall, the Capital Strategy provides assurance that capital investment decisions are being taken within a clear governance framework, informed by long-term financial planning and a realistic assessment of risk. It supports the Council's commitment to stewardship of public resources, financial sustainability and the delivery of priority outcomes for residents.

Treasury Strategy

Treasury management is concerned with the effective management of the Council's cash flows, borrowing and investments, and the associated financial risks. Given the scale and long-term

nature of the Council's capital programme, treasury management decisions have a significant influence on affordability, financial resilience and the stability of future revenue budgets.

The Treasury Management Strategy is prepared in accordance with the CIPFA Treasury Management Code of Practice and relevant Welsh Government guidance. It provides the framework within which borrowing and investment decisions are taken, ensuring that these activities are carried out prudently, transparently and in a manner consistent with the Council's overall financial strategy.

The strategy is set within a challenging but gradually stabilising economic environment. While inflationary pressures have eased and interest rates are expected to reduce modestly over the medium term, longer-term borrowing costs remain volatile and subject to wider economic and geopolitical risks. In this context, the strategy prioritises the protection of public funds, the management of risk and the maintenance of sufficient liquidity over the pursuit of higher returns.

The Council continues to adopt a cautious approach to borrowing and investment. Internal borrowing remains a central feature of the strategy, helping to limit exposure to higher long-term borrowing costs while maintaining flexibility to respond to changing market conditions. Where external borrowing is required, decisions will be closely aligned to the capital programme and informed by affordability and risk considerations over the long term.

Investment activity is primarily focused on the management of day-to-day cash flows and the safeguarding of balances held. The strategy confirms that security and liquidity remain the Council's overriding priorities when investing treasury funds, supported by clearly defined counterparty limits, ongoing monitoring and the use of independent professional advice.

A key component of the Treasury Management Strategy is the Minimum Revenue Provision (MRP) Policy Statement. MRP ensures that borrowing undertaken to finance capital expenditure is repaid in a prudent and sustainable manner over the useful life of assets. The strategy recommends continuation of the Council's established MRP approach, supporting intergenerational fairness and long-term financial sustainability.

The Treasury Management Strategy sets out the framework within which the Council's borrowing and investment activities are undertaken, enabling the Governance & Audit Committee to effectively monitor performance, compliance and risk. It provides assurance that these activities are managed within a robust governance and control environment, aligned to the Capital Strategy and Medium Term Financial Plan, and focused on risk management, affordability and the prudent stewardship of public resources.

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. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.
- 1.2. Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.
- 1.3. 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.
- 1.4. The strategy highlights the key risks and considerations:
 - The Council's medium-term capital programme includes annual funding from unsupported borrowing. While this borrowing remains affordable and is factored into medium-term revenue budget planning, recent budget reviews have identified several capital backlog pressures that will need substantial action within the financial plan period. If other funding sources cannot be secured, additional borrowing will become necessary.
 - Given the considerable demands on capital resources and their limited availability, it is essential to integrate and coordinate the organisation's various strategic plans that drive capital investment. Developing alternative strategies to address these demands will enable the Council to prioritise its capital programme within an affordable framework. This approach will also provide greater transparency and evaluation of required maintenance for assets such as property, highways, and other operational holdings, while placing emphasis 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 the pool of useable capital receipts forecast to be at minimal levels at the end of the medium term financial plan period, the continued use of capital receipts for this purpose is recognised as necessary but will be required to be tapered down.
 - Due to the funding pressures on the Capital programme and the challenges with delivering projects on time, it's important to have strong governance structures in place.

Traditionally, this has been managed through finance oversight and by the Capital working group, who have ensured that services and project managers are accountable for progress. However, the level of project slippage remains a challenge that can impact both wider capacity for project delivery, and future funding clarity.

- The prudential indicators, including borrowing limits, are in line with the Council's medium term financial plan.

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

1.6. 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)
- The link to treasury decision making. (Section 8)
- Consideration of investment for service purposes and commercial activity of the Council and the strategy going forward. (Section 9 and 10)
- Summary of the skills and knowledge the Council holds in order for it to carry out its capital investment and treasury functions. (Section 11)

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. The Council delegates responsibility for the detailed implementation, monitoring and scrutiny of capital investment and its associated treasury management policy, strategy and practices to the Section 151 Officer, with oversight and assurance provided by 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 could 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

Over the next four years the Council is planning capital expenditure of £55.9m as summarised below:

Table 1: Capital Medium Term Financial Plan

Scheme Type	Indicative Budget 2026/27	Indicative Budget 2027/28	Indicative Budget 2028/29	Indicative Budget 2029/30
Asset Management Schemes	2,251,599	2,230,049	2,230,049	2,230,049
School Development Schemes	0	0	0	0
Infrastructure & Transport Schemes	9,186,137	6,704,740	4,204,740	4,204,740
Regeneration Schemes	730,200	730,200	730,200	730,200
Inclusion Schemes	1,200,000	1,200,000	1,200,000	1,200,000
ICT Schemes	370,655	413,000	413,000	413,000
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Capitalisation Directive	2,707,500	1,707,500	707,500	0
Other Schemes	550,000	550,000	590,000	590,000
Total Expenditure	18,496,091	15,035,489	11,575,489	10,867,989

3.1. 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 2026/27 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

- 3.2. 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.
- 3.3. 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.

- 3.4. 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.
- 3.5. 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: Capital financing

Financing source	Final Budget 2026/27	Indicative Budget 2027/28	Indicative Budget 2028/29	Indicative Budget 2029/30
Debt	10,848,936	9,302,989	7,592,889	7,592,889
External sources	4,692,000	3,872,000	3,122,000	3,122,000
Capital Receipts	2,757,500	1,757,500	757,500	50,000
Reserves	197,655	103,000	103,000	103,000
Total Funding	18,496,091	15,035,489	11,575,489	10,867,989

- 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

	2025/26 Forecast £m's	2026/27 Estimate £m's	2027/28 Estimate £m's	2028/29 Estimate £m's	2029/30 Estimate £m's
Capital Financing Requirement	196.0	226.8	237.1	237.7	237.8
Minimum Revenue Provision	6.0	6.1	6.3	6.5	6.6

4.5. Delivery of the capital programme within planned timeframes has proved challenging 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 2026/27 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.

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: Proportion of financing costs to net revenue stream

Proportion of financing Costs to net revenue stream	2025/26 Estimate £m's	2026/27 Estimate £m's	2027/28 Estimate £m's	2028/29 Estimate £m's	2029/30 Estimate £m's
Net Interest payable	6.8	7.0	7.3	7.3	7.3
MRP	6.0	6.1	6.3	6.5	6.6
Total Financing costs	12.8	13.2	13.6	13.8	13.9
Net Revenue Stream	214.5	229.7	234.4	239.5	244.7
Proportion of net revenue stream %	5.98%	5.74%	5.79%	5.76%	5.69%

5.2. The overall proportion of financing costs remains broadly 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 investment

Purpose and Strategic Context

- 6.1. Capital expenditure enables the Council to deliver services by investing in long-term assets such as land, buildings, infrastructure and equipment. These assets underpin both statutory services (including schools, housing and libraries) and discretionary services (such as leisure facilities and museums) and therefore play a critical role in service delivery and community outcomes.
- 6.2. Given the breadth of services provided by the Council, capital investment decisions have wide-ranging implications for both costs and income. Capital spending shapes the Council's asset base for decades and directly influences future revenue budgets. As a result, capital decisions must be taken within a clear strategic framework and with a long-term focus on affordability, sustainability and value for money.

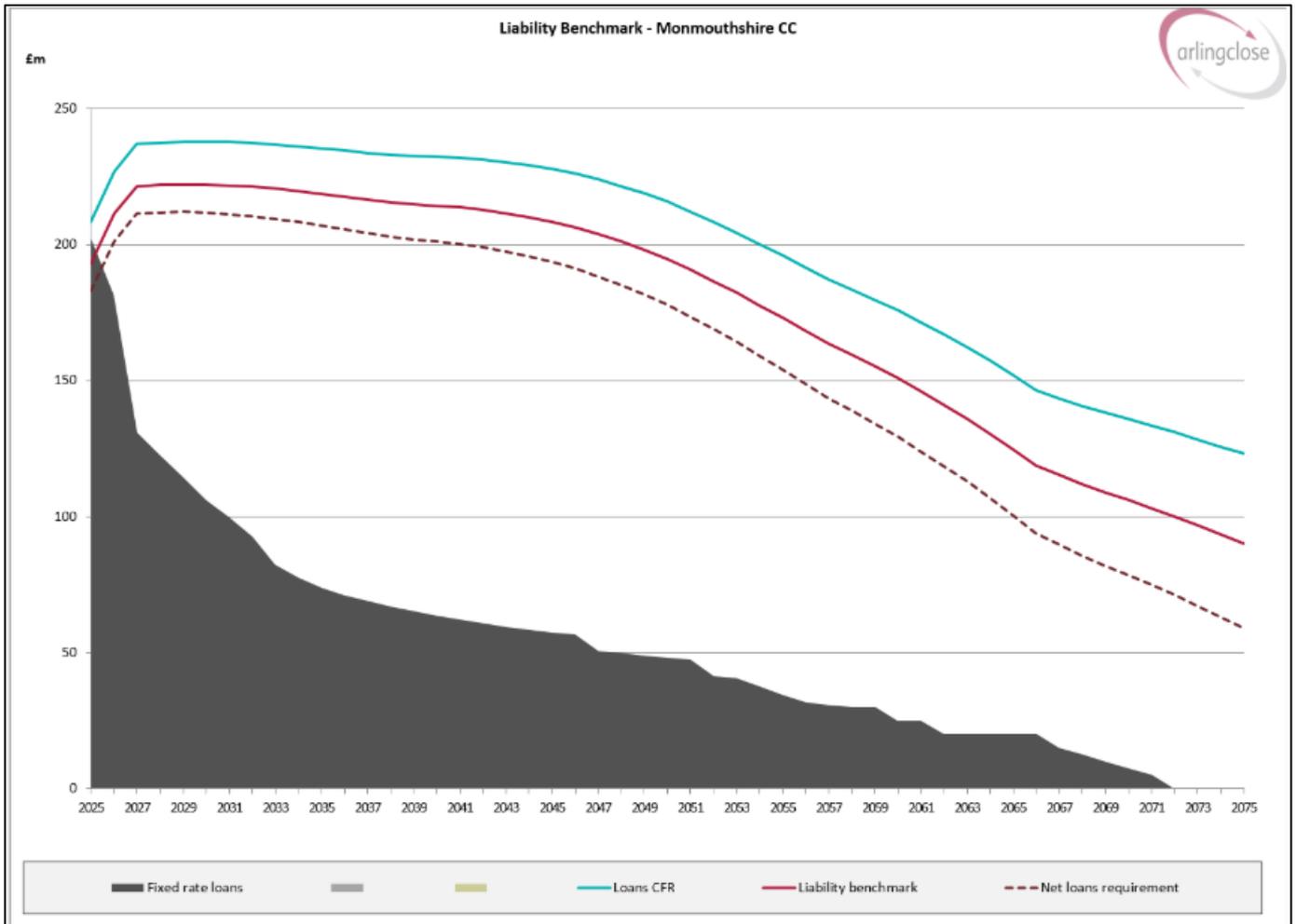
Financing and Affordability

- 6.3. Capital investment is typically associated with assets that have long useful lives, often extending beyond 50 years. How these assets are financed has a significant impact on the Council's financial sustainability. Where expenditure is financed through borrowing, long-term revenue commitments arise, most notably through the requirement to make annual Minimum Revenue Provision (MRP) charges.
- 6.4. Ongoing financial constraints mean that the Council's capacity to support capital investment through borrowing is expected to remain highly restricted over the long term. This significantly limits the Council's ability to fund both new investment and the resolution of existing maintenance backlogs, creating a challenging environment in which to deliver medium and long-term capital aspirations.

Long-Term Borrowing Outlook

- 6.5. The liability benchmark illustrates the long-term impact of the current capital programme and projected borrowing over a 50-year period. In summary, it demonstrates:

- A short-term increase in the Capital Financing Requirement (CFR), reflecting delivery of the existing capital programme and the associated need for external borrowing;
- A gradual reduction in overall CFR over the longer term, driven by assumed annual borrowing levels being lower than annual MRP charges;
- A corresponding long-term reduction in the need for external borrowing; and
- A requirement for further borrowing in the medium to long term to refinance maturing debt, even where capital expenditure levels reduce.



6.6. The modelling is indicative and for planning purposes only. Actual outcomes will be influenced by a range of factors, including the scale and deliverability of the capital programme, the availability of external funding and grants, the Council's internal resources, and future MRP policy and treasury management strategy.

Grant Funding uncertainty and planning constraints

6.7. The timescales and structure of capital grant funding also present increasing challenges for councils in planning and delivering capital investment effectively. Since the pandemic, the timeframe between notification of funding and the requirement to approve balanced budgets

has shortened significantly, reducing the time available to develop robust capital proposals and limiting opportunities for member scrutiny.

- 6.8. In addition, a significant proportion of capital funding is provided through restricted grants awarded on an annual basis, often confirmed late in the financial year and, in some cases, requiring expenditure within the same year. While such funding can increase overall investment, the short- notice nature of these awards can encourage a more reactive or opportunistic approach, making it harder to align projects with longer- term asset strategies and to maximise value for money.
- 6.9. Short- term and fragmented grant funding can also disrupt delivery of existing capital programmes, as resources must be diverted to develop bids and deliver new schemes at pace. This creates pressure on capacity, complicates integration with revenue planning, and can reduce the effectiveness, efficiency and economy of capital investment over the longer term. The Council therefore seeks, where possible, to plan prudently for grant funding uncertainty and to prioritise schemes that remain affordable and deliverable even where external funding assumptions change
- 6.10. In these circumstances, it is particularly important that the Council's capital programme is underpinned by clear aims and intended outcomes. The capital strategy provides a framework for balancing the competing demands of maintaining the existing asset base, investing in priority new infrastructure and supporting longer- term transformation objectives.
- 6.11. This clarity helps ensure that individual schemes, including those supported by short- term or restricted grant funding, can be assessed consistently, aligned with wider corporate and financial strategies, and prioritised in a way that maximises value for money across the Council area as a whole, while recognising the need for members to balance local and corporate priorities.

Ongoing Capital Programme Development

- 6.12. In the context of constrained resources, it is essential that the Council maintains a clear understanding of its future capital priorities and risks. These are informed by a range of corporate plans and strategies, which set out long-term objectives such as decarbonisation, regeneration and the provision of affordable housing.
- 6.13. Alongside investment in new priorities, there is a continuing need to maintain the existing asset base. Historic funding constraints have contributed to the development of a maintenance backlog, increasing the risk of asset failure over time. While condition surveys and ongoing monitoring help to manage these risks, ageing assets will inevitably require increasing levels of investment to maintain fitness for purpose or to undertake major refurbishment.
- 6.14. Balancing capital investment with day-to-day revenue spending presents an ongoing challenge. Revenue expenditure can often provide more immediate responses to service

pressures, whereas capital projects typically have longer lead-in times and extended delivery periods. This can make capital investment harder to prioritise in periods of acute service demand.

- 6.15. However, deferring capital investment can lead to higher costs in the longer term. Poor-quality or outdated assets can drive increased maintenance expenditure, reduce service effectiveness and expose the Council to inflationary pressures in construction costs. In many cases, timely capital investment represents the more sustainable and cost-effective option.
- 6.16. The capital programme therefore prioritises maintenance and refurbishment funding towards the highest-risk assets, focusing on condition, criticality and health and safety considerations. In parallel, estate rationalisation, asset disposals, transfers and targeted refurbishment or replacement projects will be used to mitigate the scale of the backlog where this can be achieved in an affordable way. While this approach will not eliminate the backlog in full, it supports a risk-based and proportionate response.
- 6.17. Looking ahead, additional priorities are likely to emerge over the medium to long term, including future phases of the Welsh Government's Sustainable Communities for Learning Programme and further regeneration initiatives. These schemes will require significant match funding and will need to be carefully assessed alongside other competing demands to ensure overall affordability and alignment with the Council's strategic objectives.

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

	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
Balance as at 1st April	6,083	4,627	4,430	3,474	2,819
Less: capital receipts used for financing	(289)	(367)	(50)	(50)	(50)
Less: capital receipts used to support capitalisation directive	(3,770)	(2,708)	(1,708)	(708)	0
Capital receipts for Redundancies	0	0	0	0	0
Capital receipts received	2,500	0	0	0	0
Capital receipts forecast	103	2,878	803	103	103
Forecast Balance as at 31st March	4,627	4,430	3,474	2,819	2,871

- 7.8. Further specific details of planned asset disposals are reported regularly to Cabinet Members.
- 7.9. The value of Capital receipts forecast after 2026/27 drops off quite considerably as the Council awaits the outcome of the replacement Local Development Plan.
- 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 is developed in conjunction with the Capital strategy, each influencing the Council's debt levels and investment decisions. Treasury management ensures the Council maintains enough cash to meet spending needs, balancing revenue surpluses against capital shortfalls to minimise borrowing and avoid unnecessary credit balances.
- 8.2. Currently, the Council favours internal borrowing, funding capital expenditure from available reserves and positive cash flows, rather than taking out new long-term loans. This approach reduces reliance on external borrowing and helps minimise investment counterparty risk when market rates remain volatile.
- 8.3. While internal borrowing lowers risk and costs in the short term, it carries exposure to future interest rate increases. The Council closely monitors market conditions to manage this risk and aims to achieve a low, predictable cost of finance, balancing short-term flexibility with the certainty of long-term borrowing rates.
- 8.4. The Council's treasury investment policy prioritises security and liquidity over maximising returns, with short-term funds invested securely and longer-term cash invested more broadly.
- 8.5. Further details on these policies and practices can be found in the adjoining Treasury Management Strategy document.

9. Investments for Service Purposes

- 9.1. 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.
- 9.2. 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.

- 9.3. 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.
- 9.4. 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.
- 9.5. 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.
- 9.6. 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.

10. Commercial Activities

- 10.1. 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.
- 10.2. Total commercial investments held by the Council are currently valued at £28.4m:

Table 6: Value of Commercial investments

Asset	Value @ 01/04/2024	Movement	Value @ 31/03/2025
Castlegate Business Park	6,654,270	129,735	6,784,005
Castlegate Business Park - Service Charge	201,422	0	201,422
Newport Leisure Park	18,819,000	-3,203,000	15,616,000
Oak Grove Solar Farm	5,610,937	174,478	5,785,415
Total	31,285,629	-2,898,787	28,386,842

- 10.3. The ratio of commercial income compared to the Council's net revenue budget is around 1.2% and 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.

Governance

- 10.4. 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.
- 10.5. A residual capital budget of £1.78m is held to support any further capital investment required on existing investments, in order to maintain value and maximise return on investment.
- 10.6. As a result of the Council's risk appetite any further new 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.
- 10.7. 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.
- 10.8. 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.
- 10.9. 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.
- 10.10. 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.

11. Knowledge & skills

Internal expertise

- 11.1. 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.

- 11.2. The central finance 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

- 11.3. 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 expert knowledge and skills commensurate with its risk appetite.

Members

- 11.4. 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.

Appendix 2

2026/27 Treasury Management Strategy

1. Economic background and financial context

- 1.1. **Economic background:** The most significant impacts on the Authority's treasury management strategy for 2026/27 are expected to include: the influence of the government's

budget strategy, lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and geopolitical issues.

- 1.2. In February 2026, the MPC held Bank Rate at 3.75%, but the more dovish tone accompanying the decision led markets to bring forward expectations of monetary easing. Four members voted for an immediate cut, and two of the holding majority indicated they may support a reduction soon, reflecting continued disinflation, rising unemployment and softening wage growth.
- 1.3. The February 2026 Monetary Policy Report indicates that UK economic growth remains subdued but stabilising, with the Bank of England projecting GDP to expand by around 1.4% in 2026, broadly consistent with the modest outlook signalled in earlier forecasts. Although recent data confirm only slight momentum in late- 2025, the Bank notes that easing inflation, looser monetary conditions and gradually improving global demand should support a modest pickup in activity later in the year. Nevertheless, risks around domestic demand, higher taxes, and continued labour- market slack suggest that the recovery will remain fragile. This reinforces the overall picture of a slow- growth environment, in line with both Bank projections and other independent assessments of UK economic prospects.
- 1.4. CPI inflation was 3.4% in December 2025, slightly below expectations and continuing its downward trend. The Bank of England now anticipates inflation will fall more sharply than previously projected, reaching around 2.1% by Q2 2026, driven in part by lower energy prices and the impact of fiscal measures announced in Budget 2025. Wage and price pressures have continued to moderate, giving the MPC increased confidence that inflation is on track to return sustainably to the 2% target thereafter.
- 1.5. The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to October 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% and while regular pay was 4.6%.
- 1.6. The US Federal Reserve also continued to cut rates, including reducing the target range for the Federal Funds Rate by 0.25% at its December 2025 meeting, to 3.50%-3.75%, in line with expectations. The minutes of the meeting noted that most Fed policymakers judged that further rate cuts would be likely in 2026 if inflation continues to ease, however they were still divided in their assessment of the risks between inflation and unemployment.
- 1.7. The European Central Bank (ECB) kept its key interest rates unchanged in December for a fourth consecutive meeting, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB maintained that future policy decisions will remain data-dependent, that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions.

- 1.8. **Credit outlook:** Credit Default Swap (CDS) prices, which spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly during October and November, the overall credit outlook remains stable, and credit conditions are expected to remain close to the range seen over the past two years.
- 1.9. While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the authority's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.
- 1.10. **Interest rate forecast (December 2025):** Arlingclose, the Authority's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications, and following the BoE MPC meeting held on 18th December.
- 1.11. Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.
- 1.12. A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A.
- 1.13. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 3.2%, and that new long-term loans will be borrowed at an average rate of 4.7%.

2. Local Context

- 2.1. On 31st December 2025, the Council held £182.8m of borrowing and £12.0m of treasury investments as demonstrated below:

Table 1: Current debt and investment levels

	31st Dec 2024 Actual Portfolio £m's	Average Rate %	31st Dec 2025 Actual Portfolio £m's	Average Rate %

External borrowing:				
Public Works Loan Board	135.8	3.52%	148.6	3.7%
LOBO loans from banks	0.0	0.0%	0.0	0.0%
Welsh Government Loans	4.7	0.0%	6.2	0.0%
Council to Council & other ST loans	44.0	5.06%	28.0	4.5%
Total external borrowing	184.5	3.71%	182.8	3.69%
Treasury investments:				
Banks & building societies (unsecured)	0.0	0.0%	2.0	3.60%
Government (incl. local Councils)	9.0	4.99%	3.0	4.35%
Money Market Funds	2.5	4.78%	3.0	4.17%
Strategic pooled funds	4.0	5.44%	4.0	5.48%
Total treasury investments	15.5	5.03%	12.0	4.56%
Net debt	169.0		170.8	

- 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. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. The Authority expects to comply with this recommendation during 2026/27.
- 2.5. **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.
- 2.6. 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.

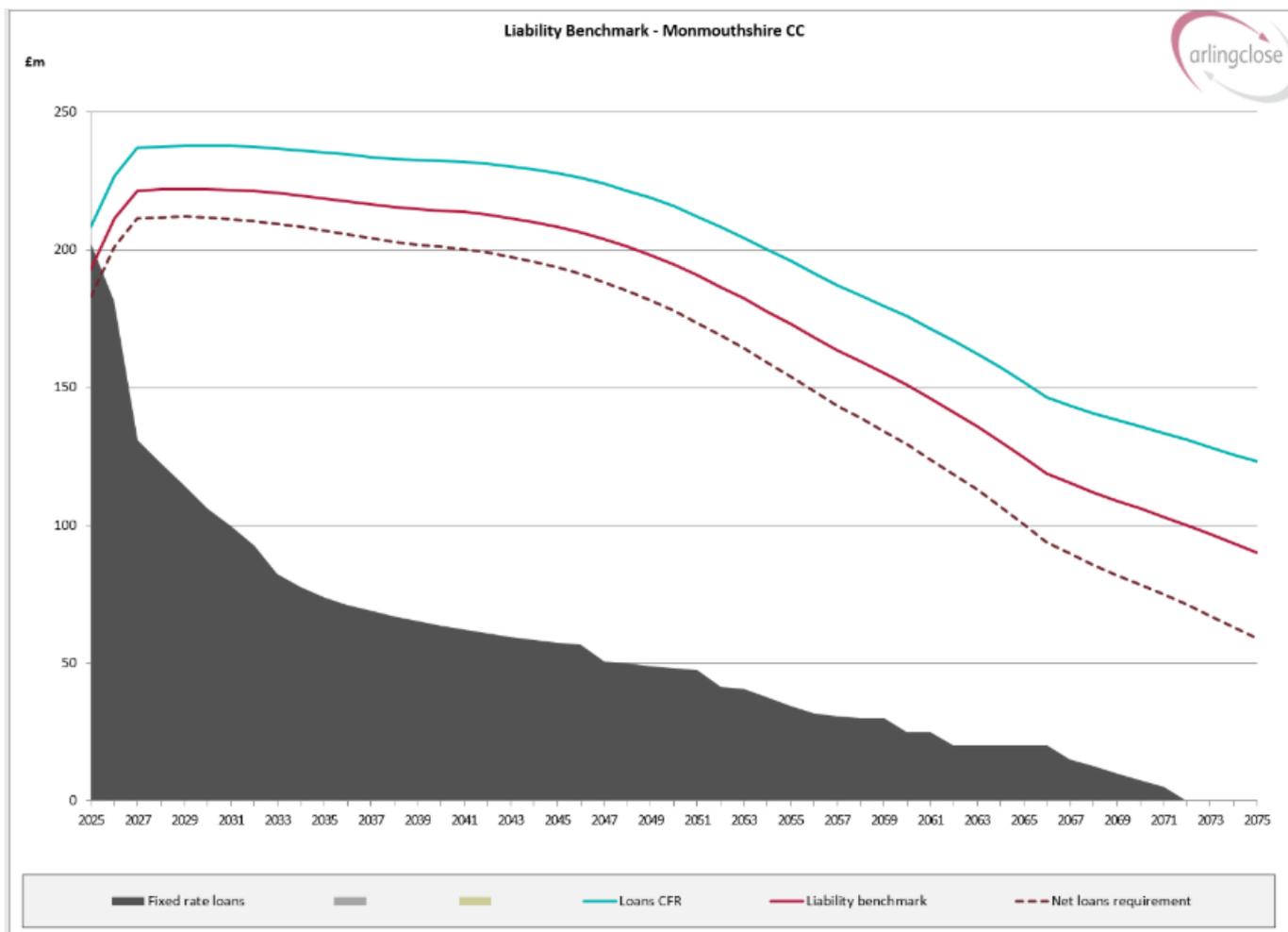
Table 2: Liability benchmark

	31.3.25 Actual	31.3.26 Forecast	31.3.27 Forecast	31.3.28 Forecast	31.3.29 Forecast	31.3.30 Forecast

	£m	£m	£m	£m	£m	£m
Loans CFR	196.0	226.8	237.1	237.5	237.7	237.8
Less: Balance sheet resources	(34.1)	(25.5)	(25.5)	(25.5)	(25.5)	(25.9)
Net loans requirement	161.9	201.3	211.6	212.0	212.2	211.9
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0	10.3
Liability benchmark	171.9	211.3	221.6	222.0	222.2	222.2
Current loan profile**	(202.3)	(182.1)	(131.8)	(123.5)	(115.3)	(106.8)
Borrowing requirement	0.0	29.2	89.8	98.5	106.9	115.4

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

2.7. 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:



2.8. The 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 the 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 a 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.

2.9. 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 £182.8m of loans, a reduction of £1.7m compared to the previous year, as part of its strategy for funding previous years’ capital programmes. The liability

benchmark above shows that the Council expects to take new loans of up to £89.8m in 2026/27 as existing loans mature and new capital investment is made. 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 constraints on 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. Short-term interest rates have fallen over the past year, and are expect to fall a little further, and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead.
- 3.4. The risks of this approach will be managed by keeping the Authority's interest rate exposure within the limit set in the treasury management prudential indicators, noted later in the strategy.
- 3.5. 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 when long-term borrowing rates are forecast to rise modestly.
- 3.6. 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 2026/27 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 3.7. 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.
- 3.8. 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.
- 3.9. In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.

3.10. **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)
- National Wealth Fund Ltd (formerly UK Infrastructure Bank Ltd)
- any institution approved for investments (see below)
- any other bank or building society or insurance company 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
- Retail investors via a regulated peer-to-peer platform
- 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

3.11. **LOBOs:** The Council no longer holds 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.

3.12. **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. Financial derivatives may be used to manage this interest rate risk (see section below).

3.13. **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.

3.14. **Authorised limit and Operational boundary:** 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.

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

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

Table 3: Authorised limit and operational boundary for external debt in £m

Operational boundary and Authorised limit	2026/27 Estimate £m's	2027/28 Estimate £m's	2028/29 Estimate £m's	2029/30 Estimate £m's
Operational Boundary - borrowing	255.5	259.3	262.0	262.5
PFI, leases & right of use assets/Headroom	17.8	17.8	17.8	17.8
Operational Boundary - total external debt	273.3	277.1	279.8	280.3
Authorised Limit – borrowing	270.9	274.7	277.4	277.9
PFI, leases & right of use assets/Headroom	18.8	18.8	18.8	18.8
Authorised Limit - total external debt	289.7	293.5	296.2	296.7

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 4: (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%	Cumulatively minimum 30%
10 years and within 20 years	30%	
20 years and within 30 years	30%	
30 years and within 40 years	30%	
40 years and within 50 years	30%	
50 years and above	30%	

4. Investment strategy

Treasury Investment strategy

- 4.1. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the year to date, the Council's treasury investment balance has ranged between £10.2m and £50.1m million. It is anticipated that the level of investments held in 2026/27 will remain at the lower end, 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.
- 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, and the UK Stewardship Code.
- 4.6. An updated list of signatories to both the charters is provided by the Authority's treasury advisors each quarter and will continue to be monitored. Any counterparties not meeting the criteria will be removed from the Authorities investment portfolio, with any existing funds to be divested at the earliest appropriate opportunity.
- 4.7. At this stage, ESG considerations inform counterparty selection rather than acting as a quantitative investment constraint. The Council will continue 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 accounting 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 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 5: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local Councils & other government entities	25 years	£4m	Unlimited
Secured investments *	5 years	£4m	75%
Banks (unsecured) *	13 months	£3m (£4m total for the Councils operational bank)	Unlimited
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
Covered or Supranational bonds	n/a	£5m	£10m
Other Investments*	13 months	£2m	£5m

* **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.

Uk Government: Sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government’s ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Local authorities and other government entities: Loans to, and bonds and bills issued or guaranteed by, other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.

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, secured deposits 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. A higher limit applies for investments fully secured on UK or other government collateral.

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, including exchange traded 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 can be either withdrawn after a notice period or sold on an exchange, 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 unsecured loans to companies and universities. 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 £4m 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 currently stand at £15.0m. 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 6: 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 system 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	2025/26	2026/27	2027/28	No fixed date
Limit on principal invested beyond year end	£5m	£4m	£2m	£10m

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. Other 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 2026/27 is £804k, based on an average investment portfolio of £22m 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 2026/27 is £7.85m, based on existing loans and assumed new borrowing at an average rate of 4.7%. 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 newly constructed Abergavenny 3-19 school is designed to operate 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 below; the Council confirms that its current non-specified investments remain within these limits.

Table 7: 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.
- 6.10. Based on current information, the Council's investment property portfolio does not currently provide sufficient security for capital investment since its fair value is below its purchase price. It should be noted however, that the Council has elected to make Minimum Revenue Provision (MRP) for commercial investments funded via prudential borrowing. This ensures that over the expected useful life of the assets, that sufficient overall provision is being made for the financing of the assets, and that the Council is not reliant on any future capital disposal value.
- 6.11. The Council continues to closely review options in respect of existing non-financial investments, including:
- Retaining assets and increasing net returns
 - Disposing of assets
 - Retaining assets for future capital gains
 - Maximising return on capital in another way

- 6.12. 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 1.2% of the overall net revenue budget stream.
- 6.13. **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.
- 6.14. 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.
- 6.15. **Investment advisers:** The Council has appointed Arlingclose Limited as treasury management advisers and use Alder King as advisers for Commercial Property management. The quality of these services is controlled by the Finance and Estates teams.
- 6.16. **Borrowing in advance of need:** Welsh Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority, after having regard to the 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.
- 6.17. **Capacity and skills:** The Section 151 officer is responsible for ensuring that those elected members and statutory officers involved in the investment decision making process have appropriate capacity, skills and information to enable them to:
- take informed decisions as to whether to enter into a specific investment;
 - assess individual investments in the context of the strategic objectives and risk profile of the local Council; and
 - understand how the quantum of these decisions have changed the overall risk exposure of the local Council.
- 6.18. 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.
- 6.19. **Commercial deals:** Any commercial deals that the Council would be involved in would involve statutory officers in those discussions and any final decisions. This ensures that the core principles of the prudential framework and the regulatory regime of the local authority is adhered to when making such decisions.

6.20. **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 2025

Underlying assumptions:

- The Bank of England duly delivered on expectations for a December rate cut, but, despite softer economic data over the past two weeks, the minutes highlighted increased caution surrounding both the inflation outlook and the speed of future easing. With a close vote of 5-4 in favour of a rate reduction, this suggests that the bar for further monetary easing may be higher than previously thought despite the possibility of the CPI rate falling to target in 2026.
- Budget policies and base effects will mechanically reduce the CPI rate in 2026, on top of the downward pressure arising from soft economic growth and the looser labour market. However, many policymakers appear concerned that household and business inflation and pricing expectations are proving sticky following recent bouts of high price and wage growth, which may allow underlying inflationary pressure to remain elevated. While, the Bank's measure of household expectations ticked lower in December, it remains above levels consistent with the 2% target at 3.5%.
- While policymakers hold valid concerns, these appear somewhat out of line with current conditions; CPI inflation fell to 3.2% in November, private sector wage growth continued to ease amid the highest unemployment rate since the pandemic, and the economy contracted in October after barely growing in Q3. Business surveys pointed to marginally stronger activity and pricing intentions in December but also suggested that the pre-Budget malaise was not temporary. These data are the latest in a trend suggesting challenging economic conditions are feeding into price and wage setting.
- Risks to the growth and inflation outlook lie to the downside, which may ultimately deliver lower Bank Rate than our central case. However, the minutes suggest that the bar to further rate cuts beyond 3.25% is higher and the near-term upside risks to our Bank Rate forecast have increased. Having said that, we believe inflation expectations will naturally decline alongside headline inflation rates.
- Investors appear to have given the UK government some breathing space following the Budget, with long-term yields continuing to trade at slightly lower levels than in late summer/early autumn. Even so, sustained heavy borrowing across advanced economies, the DMO's move towards issuing more short-dated gilts and lingering doubts about the government's fiscal plans will keep short to medium yields above the levels implied by interest rate expectations alone.

Forecast:

- In line with our long-held forecast, Bank Rate was cut to 3.75% in December
- Continuing disinflation, rising unemployment, softening wage growth and low confidence suggests that monetary policy will continue to be loosened.
- Arlingclose expects Bank Rate to be cut to 3.25% by middle of 2026. However, near-term upside risks to the forecast have increased.
- Medium and long-term gilt yields continue to incorporate premia for UK government credibility, global uncertainty and significant issuance. These issues may not be resolved quickly and we expect yields to remain higher.

	Current	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.82	3.55	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.35	3.35	3.35
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	3.96	3.85	3.80	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.80	3.80	3.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
10yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.52	4.40	4.35	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.35	4.35	4.35
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
20yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.16	5.00	4.95	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.95	4.95	4.95
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
50yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.74	4.65	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.65	4.65	4.65
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85

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 2026/27

- 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 provides a number of options for calculating a prudent amount of MRP but does not preclude the use of other appropriate methods. The following statement only incorporates options recommended in the Guidance.

8.4. MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Authority's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition.

8.5. 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.
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.
Option 5	Where former operating leases have been brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.
Option 6	For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will 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.

Note: This does not preclude other prudent methods.

MRP in 2026/27:

8.6. The following MRP policy will be applied:

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	Option 5	MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.
Loans classed as capital expenditure	Option 6	As prescribed

- 8.7. 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.
- 8.8. In all cases Capital expenditure incurred during 2026/27 will not be subject to an MRP charge until 2027/28. The 2026/27 budget proposals reflect these outlined positions.
- 8.9. In February 2026, Welsh Ministers issued supplementary guidance alongside amendments to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, providing time- limited flexibility for the 2026/27 financial year only in relation to Minimum Revenue Provision (MRP). The amended regulations allow county and county borough councils to exercise discretion in that year to charge no MRP, charge a reduced amount, or continue to charge MRP in line with existing guidance, subject to the requirement that any amount charged must be considered prudent.
- 8.10. Where the Council chooses to apply this flexibility, Welsh Government guidance makes clear that any decision to reduce or defer MRP in 2026/27 must be temporary and fully unwound in future years. Any foregone or reduced provision must be reassessed annually and recovered over time, with Welsh Ministers recommending that any resulting adjustment is spread over a reasonable period and normally no longer than ten years, to avoid creating unsustainable future budget pressures. The guidance therefore reinforces that the flexibility is intended to support short- term financial management only and does not remove the Council's long- term obligation to make prudent provision for the repayment of capital debt.
- 8.11. Any use of this flexibility by the Council would represent a material change to its established approach to MRP. Accordingly, the application of the discretion provided by the 2026 Regulations would require explicit approval by Full Council, through consideration and adoption of a revised MRP Policy Statement, in line with the governance requirements set out in the 2018 MRP guidance. No departure from the Council's approved MRP methodology would be implemented without such approval being obtained.

9. Glossary of treasury terms

Authorised Limit	<p>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.</p> <p>(see also <i>Operational Boundary</i>, below)</p>
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 present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.</p>
Private Finance Initiative (PFI)	Private Finance Initiative (PFI) provides a way of funding major capital investments, without immediate recourse to the public purse. Private consortia, usually involving large construction firms, are contracted to design, build, and in some cases manage new projects. Contracts can typically last for 30 years, during which time the asset is leased by a public Council.
Prudential Code	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.

Prudential Indicators	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.
PWLB	Public Works Loans Board. It is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local Councils and other prescribed bodies, and to collect the repayments.
Quantitative Easing	In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It “does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions – that could be insurance companies, pension funds, banks or non-financial firms – and credits the seller’s bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim against the Bank of England (known as reserves). The end result is more money out in the wider economy”. Source: Bank of England
Registered Provider of Social Housing	Formerly known as Housing Association
Revenue Expenditure	Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges
RPI	Retail Prices Index. A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent. Pensions and index-linked gilts are updated 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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SUBJECT: publication Of Pay Policy Statement

MEETING: Council

DATE: 5 March 2026

DIVISION/WARDS AFFECTED: All

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 2026 to 31st March 2027.

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 2025/26 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 3.20% with effect from 1 April 2025.
 - b. the individual basic salaries of all officers within the scope of JNC for Chief Officers of Local Authorities increased by 3.20% with effect from 1 April 2025.
 - c. the individual basic salaries of all officers within the scope of NJC 'Green Book' terms and conditions increased by 3.20%, with effect from 1 April 2025.
 - d. the individual basic salaries of all teachers within the scope of the School Teachers Pay & Conditions Document increased by 4% with effect from 1 September 2025.
- 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 and making the report available, Monmouthshire County Council is satisfying that legal requirement. The policy covers the requirements of the legislation including:

- a. information in relation to pay bands (and salary information) for the Chief Executive Officer, Chief Officers and Local Government Employees (LGE);
 - b. Monmouthshire County Council'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 fifteenth 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.
- 7.2 Pay costs will be incorporated into the 2026/27 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
Monitoring Officer
GMB
UNISON

10 BACKGROUND PAPERS

None

11.AUTHOR

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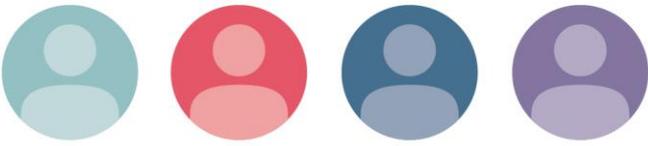
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Pay Policy 2026

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1. INTRODUCTION

The purpose of a Pay Policy Statement is to increase accountability in relation to payments made to 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 talented employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or excessive.

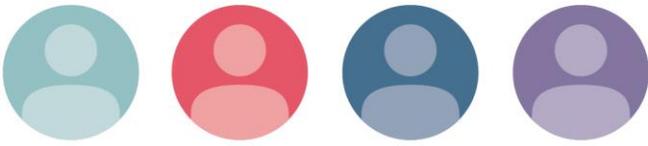
The publication of a Pay Policy supports Monmouthshire County Council's values of openness and fairness. This policy aims to ensure that all employees are rewarded fairly and without discrimination for the work that they do. It will reflect fairness and equality of opportunity and encourage and enable 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 development opportunities, and a wide range of family/carer 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

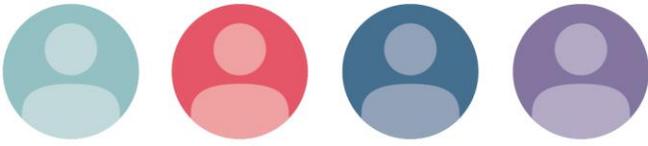
Under Section 112 of the Local Government Act 1972, the Council has the 'power to appoint officers on such reasonable terms and conditions as the authority thinks fit'. This Pay Policy Statement sets out the Council's approach to pay, in accordance with the requirements of Section 38 of the Localism 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 employees in the Local Authority. It also explains the relationship between the remuneration for Chief Officers and other groups of employees. The Act and supporting guidance provide details of matters that must be included in this statutory pay policy but also emphasise 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, including all new and re-evaluated NJC posts being approved by the Job Evaluation Panel, in accordance with the Job Evaluation Policy and Guidance.

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.



3. SCOPE AND DEFINITIONS

This Pay Policy includes:

- The level of remuneration for Chief Officers
- The level of remuneration for 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:

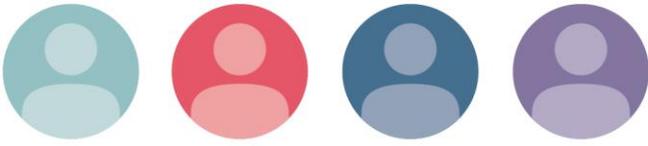
In Monmouthshire County Council these are the:

- Deputy Chief Executive and Strategic Director, Resources (incorporating statutory Section 151 Officer role)
- Strategic Director, Children, Learning, Skills and Economy
- Strategic Director, Social Care and Safeguarding
- Chief Officer, Law and 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 Chief Executive Officer. In Monmouthshire County Council these are the:

- Chief Officer, Communities and Place (this post became vacant on 18 November 2024, and interim arrangements were put in place until 1 August 2025). These interim arrangements resulted in two existing Deputy Chief Officers assuming interim positions:
 - Interim Chief Officer, Infrastructure
 - Interim Chief Officer, Place



- Chief Officer, Customer, Culture and Wellbeing (this post became vacant on 31 March 2025)
- Chief Officer, People, Performance and Partnerships.

A restructure of the Strategic Leadership Team and their reporting lines was implemented with effect from 1 August 2025. This restructure removed the Chief Officer, Communities and Place post and replaced it with two permanent posts:

- Chief Officer, Infrastructure
- Chief Officer, Place and Community Wellbeing.

This restructure also removed the Chief Officer, Customer, Culture and Wellbeing post and replaced it with a permanent post which reports into the Chief Executive Officer, but is not a member of the Strategic Leadership Team:

- Head of Customer, Communication and Engagement.

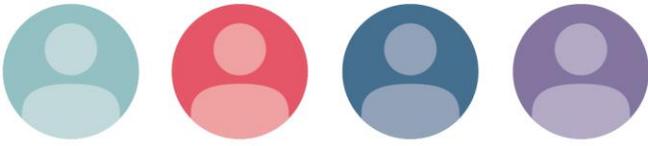
This restructure also altered line management arrangements, so that the Head of Strategic Change, Partnerships and Procurement also now reports into the Chief Executive Officer, but is not a member of the Strategic Leadership Team.

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 and Attainment
- Head of Adult Services
- Head of Business Transformation (post-holder currently seconded to CCR).
- Head of Children Services and Safeguarding
- Head of Commercial Integrated Landlord Services
- Head of Culture, Community, Learning and Events
- Head of Economy, Employment and Skills
- Head of Finance
- Head of Inclusion



- Head of Information, Security and Technology
- Head of Housing and Public Protection
- Head of Leisure and Wellbeing
- Head of Neighbourhood Services
- Head of Planning
- Head of Transport
- Head of Waste and Decarbonisation

Strategic Leadership Team:

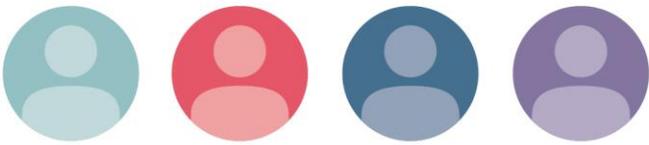
In Monmouthshire County Council, the Strategic Leadership Team consists of:

- Chief Executive
- Deputy Chief Executive and Strategic Director, Resources (incorporating statutory Section 151 Officer role)
- Strategic Director, Children, Learning, Skills and Economy
- Strategic Director, Social Care and Safeguarding
- Chief Officer, Law and Governance (incorporating statutory roles of Monitoring Officer and Head of Democracy)
- Chief Officer, Infrastructure
- Chief Officer People, Performance and Partnerships
- Chief Officer, Place and Community Wellbeing.

The gender make-up is 6 male and 2 female officers.

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. Monmouthshire County Council was accredited by the Real Living Wage Foundation, as a Real Living Wage Employer, on 21 October 2025. The UK Real Living Wage, with effect from 1 April 2025, is £12.60 per hour.

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 – 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.

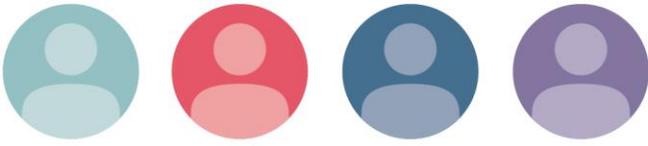
The local authority is responsible for a wide range of services, employing approximately 4,000 employees.

The remuneration for the Chief Executive Officer is a local grade established following a senior officer pay review exercise in 2024/2025, including consultation with the Independent Remuneration Panel for Wales IRP, and approved by Council on 10 April 2025. The salary for the Chief Executive is £140,352 (effective 10 April 2025). The individual basic salaries of all officers within the scope of the JNC for Chief Executives of Local Authorities increased by 3.20% with effect from 1 April 2025. The pay agreement covers the period 1 April 2025 to 31 March 2026.

There are no additional bonus, performance, honoraria or ex gratia payments, with respect to the Chief Executive. 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. Between 1 April 2025 and 31 March 2026, the Chief Executive received no payment for this role.

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.



5. PAY INFORMATION – CHIEF OFFICERS and HEADS OF SERVICE ON CHIEF OFFICER TERMS AND CONDITIONS

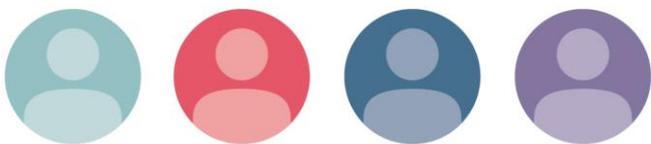
Monmouthshire County Council employs Chief Officers under Joint National Council (JNC) for chief officers’ terms and conditions, which are incorporated in their contracts.

Following a senior officer pay review exercise, which was approved by Council on 10 April 2025, a revised Strategic Leadership Team pay scale was implemented. This removed Bands A and A+ from the previous Chief Officer pay scale and consequently a revised Chief Officer pay scale (excluding Strategic Leadership Team pay) will be implemented in 2026. This approval by Council also included a recommendation to implement a Chief Officer Job Evaluation Scheme. The LGA Scheme has been approved and will be implemented and linked directly to both Chief Officer pay structures, in 2026.

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 3.20% on each pay point with effect from 1 April 2025. The pay agreement covers the period 1 April 2025 to 31 March 2026. All current salaries within this range are as follows (effective 1 April 2025 for Deputy Chief Officers and 10 April 2025 for Strategic Leadership Team):

Strategic Leadership Team:

POST	RANGE	SALARY
Chief Executive*	Up to £152,736	£140,352
Deputy Chief Executive and Strategic Director, Resources (incorporating statutory Section 151 Officer role)	Band A (SLT) Points 1-3	£109,392 £111,456 £113,520

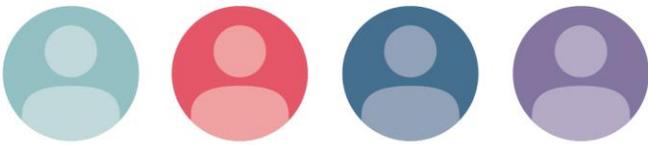


<p>Strategic Director, Children, Learning, Skills and Economy</p> <p>Strategic Director, Social Care and Safeguarding</p> <p>Chief Officer Law and Governance (incorporating statutory roles of Monitoring Officer and Head of Democracy)</p> <p>Chief Officer, Communities and Place (post removed with effect from 1 August 2025)</p>	<p>Band B (SLT) Points 1-3</p>	<p>£101,652 £103,200 £104,748</p>
<p>Chief Officer, Infrastructure</p> <p>Chief Officer, Place and Community Wellbeing</p>	<p>Band C (SLT) Points 1-3</p>	<p>£86,172 £87,720 Lower £89,268</p> <p>Band C</p> <p>£90,816 £93,912 Upper £95,976</p> <p>Band C</p>
<p>Chief Officer, People, Performance and Partnerships</p> <p>Chief Officer, Customer, Culture and Wellbeing (post removed with effect from 1 August 2025)</p>	<p>Band C (SLT) Points 1-3</p>	<p>£86,172 £87,720 £89,268</p>

* Following the review of Strategic Leadership Team remuneration, Council approved an upper pay point of £148,000 for the role of Chief Executive (rising to £152,736 following the 3.20% 2025-26 pay award).

Deputy Chief Officers:

POST	RANGE	SALARY
Head of Achievement and Attainment	Band B Points 1-4	£83,687
Head of Adult Services		£85,046
Head of Children Services and Safeguarding		£86,405
Head of Commercial Integrated Landlord Services		£87,765
Head of Finance		

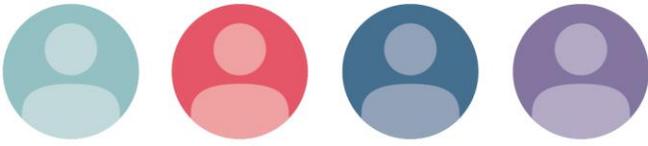


Head of Housing and Public Protection Head of Inclusion Head of Neighbourhood Services Head of Strategic Change, Partnerships and Procurement		
Head of Business Transformation (post-holder currently seconded to CCR). Head of Economy, Employment and Skills Head of Information, Security and Technology	Band C Points 1-4	£72,130 £74,849 £77,568 £80,289
Head of Culture, Community, Learning and Events Head of Customer, Communication and Engagement Head of Leisure and Wellbeing Head of Planning Head of Transport	Band D: Points 1-3	£64,652 £67,371 £70,091

The Chief Officer, Communities and Place post became vacant on 18 November 2024, and interim arrangements were put in place until 1 August 2025, following a restructure of the Strategic Leadership Team membership and responsibilities.

Honorarium payments were put in place, in accordance with the interim arrangements, for these Chief Officers:

- Interim Chief Officer, Infrastructure received an honorarium increasing their salary from Chief Officer Band B to Chief Officer Band A. Chief Officer Band A was removed, following the senior officer pay review exercise, but the 4-point value of this pay band was:
 - £95,924
 - £97,283
 - £98,642
 - £100,002.



- Interim Chief Officer, Place received an honorarium increasing their salary from Chief Officer Band C to Chief Officer Band B.

The following Chief Officers assumed additional responsibilities, with honorarium payments put in place, following the interim changes to the Strategic Leadership Team:

- The Chief Officer – Customer, Culture and Wellbeing received an honorarium increasing their salary from Chief Officer Band B to Chief Officer Band A, effective from 21 October 2024 until their departure from the organisation on 31 March 2025. The post was removed as part of the restructure of the Strategic Leadership Team, on 1 August 2025.

The following Chief Officers assumed additional responsibilities, with honorarium payments put in place, following the interim and permanent changes to the Strategic Leadership Team:

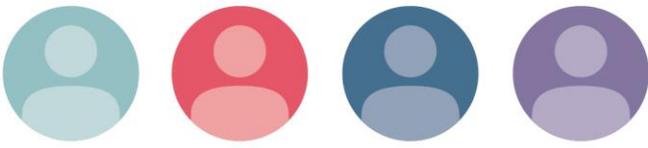
- The Strategic Director, Children, Learning, Skills and Economy and the Strategic Director, Social Care and Safeguarding receive an honorarium of £3,750 per annum. This has been effective since 21 October 2024 and will remain in place until the required permanent changes are made to their job description and their post has been evaluated using the LGA Scheme.

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.

Between 1 April 2025 and 31 March 2026, the Electoral Registration Officer and Returning Officer and Deputy Electoral Registration Officer received no payment for these roles.

Chief Officers and Heads of Service whose grades offer incremental progression must achieve at least a 'meets expectations' 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'.



6. PAY INFORMATION – EMPLOYEES ON ‘GREEN BOOK’ TERMS AND CONDITIONS REFERRED TO AS “OPERATIONAL MANAGERS”

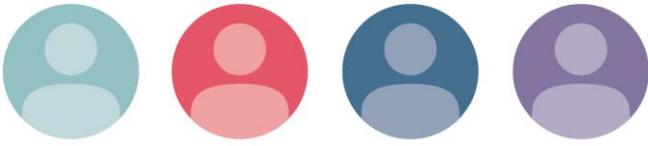
Operational Managers are those who fall within the definition of Deputy Chief Officer, but who are paid on JNC terms and conditions rather than Chief Officers’ terms and conditions. Their salaries span from Grades I – M, with the lowest being SCP 31 (£41,771) and the highest being SCP 51 (£63,827).

7. PAY INFORMATION 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 process using the Greater London Provincial Council (GLPC) scheme, backdated 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, 4 increments in one of the grades, 3 increments in one of the grades and 2 increments in one of the grades. Grades span across spinal column points (SCP) 2 - 51 with associated salaries from £24,413 (SCP 2) to £63,827 (SCP 51). More information about the Greater London Provincial Council (GLPC) Job Evaluation Scheme and the pay grades can be found in the Council’s Single Status Collective Agreement.

Appendix 1: NJC (Green Book Local Government Employees LGE) pay scales effective 1 April 2025 – 31 March 2026.



The individual basic salaries of all officers within the scope of NJC 'Green Book' terms and conditions increased by 3.20%, with effect from 1 April 2025. The pay agreement covers the period 1 April 2025 to 31 March 2026.

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 (JNC Band G and above).
- Night Workers – Employees who work night shifts between the hours of 10.00pm and 6.00am 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-F.

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

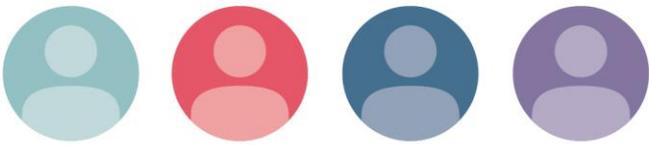
Apprentices

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.

The Apprentice First principle has also been adopted, which means that and posts to be recruited to which as job evaluated as Band D or below (£27,254) must be considered as an apprenticeship opportunity prior to being advertised.

Real Living Wage Employer Accreditation

Monmouthshire County Council was accredited by the Real Living Wage Foundation, as a Real Living Wage Employer, on 21 October 2025. The UK Real Living Wage, with effect from 1 April 2025, is £12.60 per hour.



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.

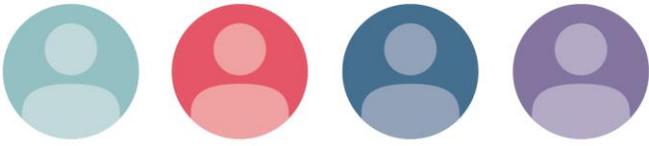
In addition to the annual pay increase, the Soulbury Committee determines the national salary framework. The Council will pay future pay rises as and when determined in accordance with contractual requirements.

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 and Conditions Document (STPCD) increased by 4% with effect from 1 September 2025. The pay agreement covers the period 1 September 2025 to 31 August 2026.

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 and Selection Policy and Guidance, 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

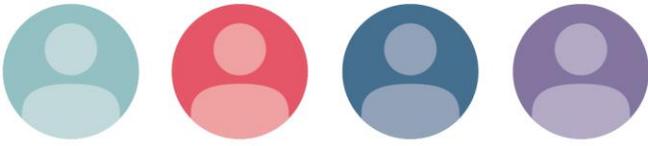
All pay is reviewed in line with the national pay awards negotiated for the cost of living increases when these occur.

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 pay and grading structure. In these circumstances, the grading of the post will be reviewed in accordance with the Market Forces Supplement Policy. All market forces supplement payments must be approved by the Job Evaluation Panel, in accordance with the Market Forces Supplement Payments Policy and Guidance.

13. 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), and all honoraria payments must be approved by the Job Evaluation Panel, in accordance with the Honoraria Payments Policy and Guidance.



14. ADDITIONAL PAYMENTS

Travel and Expenses

Business mileage incurred by an employee is refunded at the HMRC rate, in line with our Travel and Reimbursement Policy and Guidance.

Relocation

Monmouthshire County Council may provide financial assistance to new recruits as part of the employment package under the terms of our Relocation Policy and Guidance.

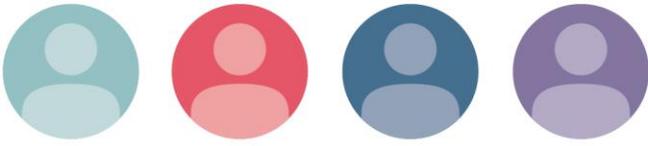
Returning Officer Fees

The appointment of Electoral Registration Officer is required by S8 of the Representation of the People Act 1983 and the appointment of the 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. 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 (the same as the previous year)
- Multiple between lowest paid FTE employee and average chief officer is 3:1 (4:1 in the previous year)
- Multiple between the median FTE employee and CEO is 5:1 (the same as the previous year)
- Multiple between the median FTE employee and the average chief officer is 3:1 (the same as the previous year).

16. PAYMENTS/CHARGES AND CONTRIBUTIONS

All Monmouthshire County Council employees (except teachers, who are entitled to join the Teachers' Pension Scheme) 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.

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:



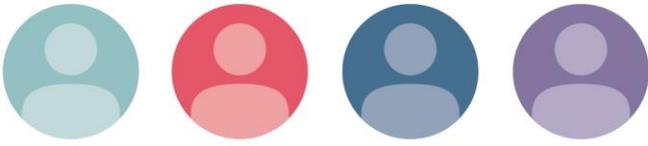
Local Government Pension Scheme deduction percentages (01/04/2025):

Contribution table 2025/26			
Band	Actual pensionable pay for an employment	Contribution rate for that employment	
		Main section	50/50 section
1	Up to £17,800	5.50%	2.75%
2	£17,801 to £28,000	5.80%	2.90%
3	£28,001 to £45,600	6.50%	3.25%
4	£45,601 to £57,700	6.80%	3.40%
5	£57,701 to £81,000	8.50%	4.25%
6	£81,001 to £114,800	9.90%	4.95%
7	£114,801 to £135,300	10.50%	5.25%
8	£135,301 to £203,000	11.40%	5.70%
9	£203,001 or more	12.50%	6.25%

17. 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.



18. DECISION MAKING

Making or confirming the appointment of the Chief Executive and members of the Strategic Leadership Team is a function of Council and making or confirming the appointment of other Chief Officers is a function of Council and/or the Appointments Committee.

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 and representing value for money. Any exit payment in excess of £95,000 will be reported to Full Council.

19. 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 2025/26, much of this guidance has been taken into consideration.

Any further necessary amendments, prior to the next annual review and following implementation of the 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.



Appendix 1

NJC (Green Book Local Government Employees LGE) pay scales effective 1 April 2025 – 31 March 2026.

SCP	Pay Bands	Salary 01/04/2025	Hourly Rate	SCP	Pay Bands	Salary 01/04/2025	Hourly Rate
1	DELETED			25	G (23-27)	36363	£18.85
2	A (1-3)	24413.00	£12.65	26		37280	£19.32
3		24796.00	£12.85	27		38220	£19.81
4	B (3-5)	25185.00	£13.05	28		39152	£20.29
5		25583.00	£13.26	29	H (27-31)	39862	£20.66
6	C (5-8)	25989.00	£13.47	30		40777	£21.14
7		26403.00	£13.69	31		41771	£21.65
8		26824.00	£13.90	32		42839	£22.20
9		27254.00	£14.13	33	I (31-35)	44075	£22.85
10		27694.00	£14.35	34		45091	£23.37
11	D (9-13)	28142.00	£14.59	35		46142	£23.92
12		28598.00	£14.82	36		47181	£24.46
13		29064.00	£15.06	37	J (35-39)	48226	£25.00
14		29540.00	£15.31	38		49282	£25.54
15		30024.00	£15.56	39		50269	£26.06
16	E (14-18)	30518.00	£15.82	40		51356	£26.62
17		31022.00	£16.08	41	K (39-43)	52413	£27.17
18		31537.00	£16.35	42		53460	£27.71
19		32061.00	£16.62	43		54495	£28.25
20		32597.00	£16.90	44		55643	£28.84
21	F (19-23)	33143.00	£17.18	45	L (43-47)	56754	£29.42
22		33699.00	£17.47	46		57883	£30.00
23		34434.00	£17.85	47		58970	£30.57
24	G (23-27)	35412.00	£18.35	48		60183	£31.19
				49	M (47-51)	61399	£31.82
				50		62614	£32.45
				51		63827	£33.08
	Real Living Wage* Rate WEF	01/04/2024 01/04/2025	£12.00 £12.60				

*Hourly rate calculated by dividing Annual Salary by 52.143 weeks (which is 365 days divided by 7) and then divided by 37 hours (the standard working week in the National Agreement 'Green Book')

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