

DYDD MAWRTH, 13 CHWEFROR 2024

AT: HOLL AELODAU'R CABINET

YR WYF DRWY HYN YN EICH GALW I FYNYCHU CYFARFOD **AML-LEOLIAD O'R CABINET A GYNHELIR YN SIAMBR, NEUADD Y SIR, CAERFYRDDIN, SA31 1JP NEU O BELL AM 10.00 YB, DYDD LLUN, 19 CHWEFROR, 2024** ER MWYN CYFLAWNI'R MATERION A AMLINELLIR AR YR AGENDA SYDD YNGHLWM

Wendy Walters

PRIF WEITHREDWR

Swyddog Democrataidd:	Michelle Evans Thomas
Ffôn (Ilinell uniongyrchol):	01267 224470
E-bost:	MEEvansThomas@sirgar.gov.uk

Cyfarfod aml-leoliad yw hwn. Gall aelodau'r pwyllgor fynychu'n bersonol yn y lleoliad a nodir uchod neu o bell drwy'r ddolen Zoom a ddarperir ar wahân.

Gellir gwyllo'r cyfarfod ar wefan y cyngor drwy'r ddolen canlynol:-
<https://carmarthenshire.public-i.tv/core/portal/home>

Wendy Walters Prif Weithredwr, *Chief Executive*,
Neuadd y Sir, Caerfyrddin. SA31 1JP
County Hall, Carmarthen. SA31 1JP

Y CABINET

AELODAETH – 10 AELOD

CYNGHORYDD	PORTFFOLIO
Cynghorydd Darren Price	Arweinydd
Cynghorydd Linda Evans	Dirprwy Arweinydd ac Aelod Cabinet dros Gartrefi
Cynghorydd Glynog Davie	Addysg a'r Gymraeg
Cynghorydd Ann Davies	Materion Gwledig, Cydlyniant Cymunedol a Pholisi Cynllunio
Cynghorydd Hazel Evans	Adfywio, Hamdden, Diwylliant a Thwristiaeth
Cynghorydd Philip Hughes	Trefniadaeth a'r Gweithlu
Cynghorydd Alun Lenny	Adnoddau
Cynghorydd Edward Thomas	Gasanaethau Trafnidiaeth, Gwastraff a Seilwaith
Cynghorydd Jane Tremlett	Iechyd a Gwasanaethau Cymdeithasol
Cynghorydd Aled Vaughan Owen	Newid Hinsawdd, Datgarboneiddio a Chynaliadwyedd

AGENDA

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2. DATGANIADAU O FUDDIANNAU PERSONOL
3. I LOFNODI FEL COFNOD CYWIR COFNODION CYFARFOD Y CABINET A GYNHALIWYD AR Y 29 IONAWR 2024 5 - 10
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Mae'r dudalen hon yn wag yn fwriadol

CABINET

DYDD LLUN 29AIN IONAWR 2024

YN BRESENNOL: Y Cyngorydd D. Price (Cadeirydd) (Yn y Siambr)

Cynghorwyr (Yn y Siambr):

G. Davies L.D. Evans A. Lenny E.G. Thomas
J. Tremlett

Y Cyngorydd (Yn rhithwir):

C.A. Davies H.A.L. Evans A. Vaughan Owen

Hefyd yn bresennol (Yn y Siambr):

W. Walters – Prif Weithredwr
C. Moore – Cyfarwyddwr Gwasanaethau Corfforaethol
A. Williams - Cyfarwyddwr Lle & Cynladwyedd
G. Morgans – Cyfarwyddwr Addysg & Gwasanaethau Plants
R. Griffiths – Pennaeth Lle & Cynladwyedd
J. Jones – Pennaeth Adfywio, Polisi & Digidol
L. Rees-Jones - Pennaeth Gweinyddiaeth a'r Gyfraith
C. Higginson – Rheolwr y Cyfryngau
E. Evans – Prif Swyddog Gwasanaethau Democrataidd
C. Jones – Swyddog Cyfathrebu
J. Owen – Swyddog Gwasanaethau Democrataidd
S. Rees – Cyfieithydd ar y Pryd

Hefyd yn bresennol (Yn rhithwyr):

M. Evans Thomas – Prif Swyddog Gwasanaethau Democrataidd [Cymeryd Nodiadau]
D. Hall-Jones – Swyddog Cymorth i'r Aelodau

Siambr, Neuadd Y Sir, Caerfyrddin, SA31 1JP : 10.00 yb – 10.27 yb

1. YMDDIHEURIADAU AM ABSENOLDEB

Cafwyd ymddiheuriad am absenoldeb gan y Cyngorydd P. M. Hughes.

2. DATGANIADAU O FUDDIANNAU PERSONOL

Y Cyngorydd/ Swyddog	Rhif y Cofnod	Y Math o Fuddiant
Y Cyngorydd G. Davies	8 – Llywodraethwr Awdurdod Lleol	Mae'n destun yr adroddiad
Y Cyngorydd H.A.L. Evans	13 – Tir Datblygu Preswyl yn Fferm Myddynfych, Bonllwyn, Rhydaman	Ei chwaer yw Prif Weithredwr Cymdeithas Tai Bro Myrddin

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

Y Cynghorydd L.D. Evans	7 - Strategaeth y Rhaglen Moderneiddio Addysg	Mae ei merch yn dysgu
Y Cynghorydd A. Vaughan-Owen	7 - Strategaeth y Rhaglen Moderneiddio Addysg	Mae ei wraig yn gweithio yn un o ysgolion y sir

3. I LOFNODI FEL COFNOD CYWIR COFNODION CYFARFOD Y CABINET A GYNHALIWYD AR Y 15EG IONAWR, 2024

PENDERFYNWYD YN UNFRYDOL lofnodi bod cofnodion cyfarfod Cabinet a gynhaliwyd ar 15eg Ionawr 2024 yn gofnod cywir.

4. CWESTIYNAU Â RHYBUDD GAN YR AELODAU

Dyweddodd y Cadeirydd nad oedd dim cwestiynau wedi dod i law gan yr Aelodau.

5. CWESTIYNAU A RHYBYDD GAN Y CYHOEDD

Dyweddodd y Cadeirydd nad oedd dim cwestiynau â rhybudd wedi dod i law gan y cyhoedd.

6. CYNLLUN DATBLYGU LLEOL DIWYGIEDIG SIR GARFYRDDIN 2018-2033 - ASESIAID CYNALIADWYEDD INTEGREDIG AC ASESIAID RHEOLIADAU CYNEFINOEDD (GAN GYNNWYS ATODIADAU) YMGYNGHORI PELLACH

Bu'r Cabinet yn ystyried adroddiad a baratowyd yn dilyn y penderfyniad yn y Cyngor Sir ar 9 Mawrth 2022 i baratoi ail fersiwn Adneuo o'r Cynllun Datblygu Lleol Diwygiedig (CDLI) a chyhoeddiad dilynol y Cynllun ar gyfer ymgynghoriad cyhoeddus.

Roedd yr adroddiad yn manylu ar yr heriau parhaus o ran bodloni'r gofynion mewn perthynas â'r rheoliadau cynefinoedd sy'n deillio o ganllawiau Cyfoeth Naturiol Cymru ar lefelau ffoffad mewn Ardaloedd Cadwraeth Arbennig Afonydd ac ansawdd dŵr a'r angen i sicrhau bod paratoadau'r Cynllun a'r ystyriaeth o gwmpas a chynnwys y Cynllun yn cydymffurfio'n â deddfwriaeth a rheoliadau gweithdrefnol.

Roedd yr adroddiad yn ceisio awdurdod i gynnal ymgynghoriad pellach ar y dogfennau ategol canlynol:-

- Aseiad Cynaliadwyedd Integredig (gan gynnwys Atodiad 1); ac
- Aseiad Rheoliadau Cynefinoedd (gan gynnwys Atodiadau 1 a 2)

PENDERFYNWYD YN UNFRYDOL

6.1 Ystyried a chymeradwyo cynnwys yr Aseiad Cynaliadwyedd Integredig (yn cynnwys Atodiad 1) a'r Aseiad Rheoliadau

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

Cynefinoedd (yn cynnwys Atodiad 1 a 2) ar gyfer ymgynghoriad cyhoeddus ffurfiol fel dogfennau ategol i Gynllun Datblygu Lleol Diwygiedig Sir Gaerfyrddin);

- 6.2 cymeradwyo cyflwyno'r dogfennau a'r ymatebion a gafwyd yn ystod yr ymgynghoriad fel rhan o'r archwiliad;
- 6.3 rhoi awdurdod dirprwyedig i swyddogion wneud unrhyw newidiadau teipograffyddol yn ôl yr angen, i wella eglurder o ran ystyr.

7. RHAGLEN MODERNEIDDIO ADDYSG - STRATEGAETH (RHMA)

[NODER: Roedd y Cynghorwyr L.D. Evans ac A. Vaughan-Owen wedi datgan buddiant yn yr eitem hon yn gynharach.]

Bu'r Cabinet yn ystyried Strategaeth y Rhaglen Moderneiddio Addysg yn dilyn ei adolygiad diweddar.

Penderfynodd y Cyngor Sir yn 2010 y dylid adolygu'r Rhaglen Moderneiddio Addysg bob dwy flynedd neu fel arall yn ôl yr angen i sicrhau cysondeb ag amserlen Rhaglen genedlaethol Ysgolion yr 21^{ain} Ganrif (a ailenwyd yn Rhaglen Cymunedau Dysgu Cynaliadwy)

Nodwedd ganolog y Rhaglen Moderneiddio Addysg ers ei sefydlu yw'r angen i gadw hyblygrwydd wrth wraidd y rhaglen i sicrhau ei bod yn parhau'n gyfredol ac yn ymateb i newidiadau yn y fframwaith polisi addysg ac anghenion cymdeithas a chymunedau sy'n datblygu'n gyson. Mae hyn yn fwy amlwg nag erioed yn yr hinsawdd sydd ohoni / ar ôl y pandemig. Mae adolygiad o'r Rhaglen Moderneiddio Addysg yn cael ei gynnal ar hyn o bryd, yn unol â'r gofyniad i gyflwyno rhaglen amlinellol strategol ar gyfer y rhaglen dreigl newydd erbyn mis Mawrth 2024.

O ganlyniad, datblygwyd Strategaeth newydd ar gyfer y Rhaglen Moderneiddio Addysg i gyfarwyddo cyflawni'r Rhaglen Moderneiddio Addysg newydd yn y dyfodol. Mae'n cael ei harwain gan set o amcanion strategol a'i thanategu gan ddarnau diben ac egwyddorion addysgol yr adran i sicrhau cydlyniant â'r 8 Blaenoriaeth Addysg ar gyfer 2022-2025 a strategaeth Addysg Sir Gâr 2022-2032. Mae strategaeth y Rhaglen Moderneiddio Addysg yn cynnwys set o feini prawf hyfywedd a buddsoddi i sicrhau dull priodol a thryloyw o ddatblygu trefniadaeth ysgolion a chynigion buddsoddi.

PENDERFYNWYD YN UNFRYDOL ARGYMELL I'R CYNGOR y dylid cymeradwyo Strategaeth ddiwygiedig y Rhaglen Moderneiddio Addysg

8. PENODI LLYWODRAETHWR AR RAN YR AWDURDOD LLEOL

[NODER: Yn dilyn datgan buddiant yn yr eitem hon yn gynharach ni fu'r Cynghorydd G. Davies yn rhan o'r broses o'i hystyried nac o ddod i benderfyniad arni.]

Bu'r Cabinet yn ystyried adroddiad a oedd yn manylu ar y ffaith bod y Cynghorydd Glynog Davies yn gwasanaethu fel Llywodraethwr yr Awdurdod

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

Lleol a Chadeirydd Corff Llywodraethu Ysgol Gynradd Brynaman. Mae ei gyfnod presennol yn y swydd yn dod i ben ar 31 Ionawr ac mae wedi mynegi diddordeb mewn cael ei ailbenodi i'r swydd am dymor arall yn y swydd.

O dan amgylchiadau arferol, penodir Llywodraethwr yr Awdurdod Lleol gan y Cynghorydd Glynog Davies ei hun yn ei rôl fel Aelod Cabinet dros Addysg, Pobl Ifanc a'r Gymraeg. Fodd bynnag, o ystyried yr amgylchiadau, roedd yn cael ei ddwyn gerbron y Cabinet i'w ystyried.

PENDERFYNWYD YN UNFRYDOL ailbenodi'r Cynghorydd Glynog Davies i swydd Llywodraethwr yr Awdurdod Lleol yn Ysgol Gynradd Brynaman am dymor arall yn y swydd.

9. UNRHYW FATER ARALL Y GALL Y CADEIRYDD OHERWYDD AMGYLCHIADAU ARBENNIG BENDERFYNU EI YSTYRIED YN FATER BRYN YN UNOL AG ADRAN 100B(4)(B) O DDEDDF LLYWODRAETH LEOL, 1972.

Dywedodd y Cadeirydd nad oedd unrhyw eitemau eraill o fater brys.

10. GORCHYMYN I'R CYHOEDD ADAEL Y CYFARFOD

PENDERFYNWYD YN UNFRYDOL, yn unol â Deddf Llywodraeth Leol 1972, fel y'i newidiwyd gan Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywio) (Cymru) 2007, orchymyn i'r cyhoedd adael y cyfarfod tra oedd yr eitemau canlynol yn cael eu hystyried, gan fod yr adroddiadau'n cynnwys gwybodaeth eithriedig fel y'i diffiniwyd ym mharagraff 14 o Ran 4 o Atodlen 12A i'r Ddeddf.

11 TREFN Y MATERION

Dywedodd y Cadeirydd, o ystyried y datganiad o fuddiant a wnaed mewn perthynas ag eitem 11 ar yr agenda, ei fod yn dymuno amrywio trefn y materion sy'n weddill ar yr agenda a thrafod eitem 12 ar yr agenda nesaf, ac yna eitem 11.

12. PRYNU EIDDO YNG NGHANOL TREF CAERFYRDDIN

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng Nghofnod 10 uchod, ystyried y mater hwn yn breifat gan orchymyn i'r cyhoedd adael y cyfarfod oherwydd gallai datgelu'r wybodaeth hon danseilio'r perchennog tir presennol a safle'r Cyngor mewn unrhyw drafodaethau ynglŷn â hyn ac eiddo tebyg arall yn y sir, ar draul y pwrs cyhoeddus a pheri risg i'r prosiect hwn a phrosiectau adfywio tebyg eraill.

Bu'r Cabinet yn ystyried adroddiad yn manylu ar gynnig i brynu eiddo yng Nghanol Tref Caerfyrddin.

PENDERFYNWYD YN UNFRYDOL

12.1 bod y bwriad i brynu'r brydles o ran yr eiddo yng nghanol tref

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

Caerfyrddin a nodwyd yn yr adroddiad yn cael ei gymeradwyo, yn amodol ar gymeradwyo'r telerau prynu, o fewn y paramedrau y cytunwyd arnynt gan y Cyfarwyddwr Gwasanaethau Corfforaethol mewn ymgynghoriad a'r Aelod Cabinet dros Adnoddau.

- 12.2 bod awdurdod yn cael ei ddirprwyo i'r Pennaeth Adfywio, Polisi a Digidol a'r Pennaeth Gweinyddiaeth a'r Gyfraith, mewn ymgynghoriad â'r Aelod Cabinet dros Adfywio, Hamdden, Diwylliant a Thwristiaeth a'r Aelod Cabinet dros Adnoddau, i gwblhau'r telerau prynu a chwblhau'r pryniant.

13 TIR DATBLYGU PRESWYL YN FFERM MYDDYNFYCH, BONLLWYN, RHYDAMAN

[NODER: Gan ei bod wedi datgan buddiant yn y mater hwn yn gynharach, gadawodd y Cynghorydd H.A.L. Evans y cyfarfod cyn i'r Pwyllgor ystyried y mater a phenderfynu arno.]

Yn sgil gweithredu'r prawf budd y cyhoedd **PENDERFYNWYD YN UNFRYDOL**, yn unol â'r Ddeddf y cyfeiriwyd ati yng Nghofnod 10 uchod, ystyried y mater hwn yn breifat gan orchymyn i'r cyhoedd adael y cyfarfod oherwydd byddai datgelu'r wybodaeth hon yn anfantais faterol i'r Awdurdod mewn unrhyw drafodaethau dilynol â thrydydd partïon, a gallai cael effaith niweidiol ar y pwrs cyhoeddus.

Bu'r Cabinet yn ystyried adroddiad yn manylu ar werthiant arfaethedig tir mewn perthynas â datblygiad preswyl yn Fferm Myddynfych, Bonllwyn, Rhydaman.

PENDERFYNWYD YN UNFRYDOL gytuno ar werthu'r tir, ar y telerau ac amodau y manylir arnynt yn yr adroddiad.

CADEIRYDD

DYDDIAD

Sylwer: Mae'r cofnodion hyn yn amodol ar gael eu cadarnhau yn y cyfarfod nesaf

Mae'r dudalen hon yn wag yn fwriadol

Y CABINET

19 CHWEFROR 2024

STRATEGAETH CYLLIDEB REFENIW 2024/25 i 2026/27

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

1. Bod y Cabinet yn ystyried y canlynol ac yn argymhell i'r Cyngor Sir:

a) Strategaeth y Gyllideb am 2024/25, sy'n cynnwys y diwygiadau ym mharagraff 4.1.5;

b) Y Dreth Gyngor am 2024/25 (Band D) o £1,602.80 (cynnydd o 7.5%);

c) Dileu cynigion arbedion penodol fel y nodir ym mharagraff 3.2.7;

d) Defnyddio £3m o gronfa wrth gefn y Grant Cynnal Refeniw, sef £2m i gefnogi costau dros dro lleoliadau preswyl i blant a gomisiynwyd a £1m i gefnogi'r gyllideb ysgolion dirprwyedig, fel yr amlinellir ym mharagraff 5.2.3; ac

e) Y cynllun ariannol tymor canolig a fydd yn sail ar gyfer cynllunio yn y dyfodol.

2. Bod y Cabinet/Cyngor Sir yn dirprwyo i Gyfarwyddwr y Gwasanaethau Corfforaethol, mewn ymgynghoriad â'r Prif Weithredwr, yr Arweinydd a'r Aelod Cabinet dros Adnoddau i wneud unrhyw newidiadau sy'n angenrheidiol o ganlyniad i setliad terfynol Llywodraeth Cymru ar 27^{ain} Chwefror 2024.**Y Rhesymau:**

Galluogi'r Awdurdod i bennu ei Gyllideb Refeniw ar gyfer Cronfa'r Cyngor ac, yn sgil hynny, Treth y Cyngor am 2024/25.

Angen i'r Cabinet wneud penderfyniad OES

Angen i'r Cyngor wneud penderfyniad OES

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:

Cyng. Alun Lenny – yr Aelod Cabinet dros Adnoddau

Cyfarwyddiaeth:
Gwasanaethau CorfforaetholEnw Pennaeth Gwasanaeth:
Randal HemingwayAwdur yr adroddiad:
Randal Hemingway

Swydd:

Pennaeth Gwasanaeth
Ariannol

Rhif Ffôn. (01267) 224120

Cyfeiriad e-bost:

Rhemingway@sirgar.gov.uk

EXECUTIVE SUMMARY

**CABINET
19 FEBRUARY 2024**

REVENUE BUDGET STRATEGY 2024/25 TO 2026/27

This report brings together the latest proposals for the Revenue Budget 2024/25 with indicative figures for the 2025/26 and 2026/27 financial years.

It summarises the latest Budgetary position giving an update on the budget validation, spending pressures, the Welsh Government final settlement and the responses from the budget consultation.

Members are required to consider the proposals within this report and make recommendations on the budget to County Council, in accordance with Council Policy.

Documents Attached:

- Report of the Director of Corporate Services
- Table 1 – Council Fund Summary
- Appendix A – Budget reduction proposals
- Appendix B – Budget pressures
- Appendix C – Consultation Report

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **Randal Hemingway** **Head of Financial Services**

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Biodiversity & Climate Change
YES	NONE	YES	NONE	YES	NONE	NONE	NONE

1. Policy, Crime & Disorder and Equalities

The budget has been prepared having regard for the Council's Corporate Strategy, and the Well-being of Future Generations (Wales) Act 2015. Equalities Impact Assessments have been undertaken on the budget proposals in order to consider and assess the potential impact with respect to protected characteristic groups. The Equalities Impact Assessments will be further developed following consideration of possible mitigation measures.

3. Finance

The implications on the latest proposals as set out in the report are as follows:

- Proposed Net County Council Budget of £479.932m
- Proposed Council Tax increase of 7.5% for 2024/25 – Band D of £1,602.80
-

The 2024/25 budget proposals assume a contribution from the RSG reserve of £3m to fund one off expenditure on Children Services and Education.

The Medium Term Financial Plan highlights that the funding growth in respect of 2025/26 and 2026/27 will be significantly lower than 2024/25 and therefore does not match the expected expenditure demand and there are significant budget reductions to be identified. Over the 2 years 2025/26 & 2026/27 it is estimated that a total of £24m budget reductions will be required (based on a 4% and 3% Council Tax increase).

4. Risk

There are significant financial risks contained within this Budget Strategy. The main risks being documented in Paragraph 4.1.12 of the report.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C. Moore** **Director of Corporate Services**

1. Scrutiny Committee request for pre-determination

YES/NO/N/A – Delete as appropriate

If yes include the following information: -

Scrutiny Committee

Date the report was considered:

Scrutiny Committee Outcome/Recommendations:

Consultation with all Scrutiny committees undertaken.

2. Local Member(s)

Not Applicable

3. Community / Town Council

Consultation with the Town & Community Council Forum undertaken

4. Relevant Partners

Consultation with relevant partners undertaken

5. Staff Side Representatives and other Organisations

Consultation with Representatives undertaken

**CABINET MEMBER PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

YES

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2023/24 3-year Revenue Budget		Corporate Services Department, County Hall, Carmarthen
WG Provisional Settlement		Corporate Services Department, County Hall, Carmarthen

REPORT OF DIRECTOR OF CORPORATE SERVICES

Cabinet

19th February 2024

REVENUE BUDGET STRATEGY 2024/25 to 2026/27

DESIGNATION:	DIRECTORATE	TELEPHONE NO.
C Moore, Director of Corporate Services	Resources	01267 224120
AUTHOR & DESIGNATION	DIRECTORATE	TELEPHONE NO
R Hemingway, Head of Financial Services	Resources	01267 224886

1. INTRODUCTION

1.1. The Cabinet in January 2024 considered and endorsed the Revenue Budget Strategy 2024/25 to 2026/27 for consultation. The report indicated, after taking account of the provisional settlement, a Council tax increase of 6.50%, some £12.8m of budget reductions, still with a shortfall of £801k. The Cabinet, in endorsing the report for consultation, specifically sought comments from consultees on the detailed efficiency proposals appended to the report.

1.2. This report updates members on the latest position for the Revenue Budget including:

- Budget Consultation Results
- The Medium Term Spending Plans
- Implication and proposal on the Council Tax for 2024/25.

The final proposals have endeavoured to meet the aspirations of the Authority, whilst recognising the extraordinary scale of financial pressures facing Local Authorities prevailing at this time. They address specific demands in certain service areas whilst seeking to balance the impact on service delivery and local taxpayers.

1.3. There are inherent risks attached to this Budget Strategy and they are detailed within the body of this report, however the Director of Corporate Services confirms that the proposed Budget has been prepared in a robust manner.

1.4. The Cabinet needs to consider these detailed proposals and make recommendations to County Council in accordance with Council policy.

- 1.5. The provisional settlement at an all Wales level, whilst low in relative terms to the service and expenditure demand, was in line with expectations. Welsh Government have acknowledged this budget setting round as being the most difficult since devolution. Looking beyond next year, when the 2025/26 budget will need to be set, there will certainly be a new Welsh First Minister as well as a UK general election. Whatever the outcomes of these, forecasters are not predicting a boost to public sector finances, therefore the Wales Fiscal Analysis Report used in the budget strategy provides as reliable as any indication of the likely future settlements for Local Government. It is with this somber backdrop that decisions have again had to be made in respect of prioritisation of services and the inclusion of further budget reductions in order to achieve what hopefully is an acceptable Council Tax increase.

2. CONSULTATION

- 2.1. The original proposals have been subjected to a wide ranging consultation exercise since the Budget Strategy. In order to seek the widest possible response, the public consultation was launched on 21st December 2023, ahead of the budget reports presented to the Cabinet on the 15th January 2024, with the following groups and committees being invited to comment:-

- Public Consultation
- Town and Community Councils
- School Budget Forum
- Member Seminars
- Scrutiny Committees
- Trade Union meetings
- Secondary Schools Insight Day

It is particularly pleasing to note more than 4,200 responses were received from the public, our highest ever response to a budget consultation. A detailed report on the consultation results for each of the above is attached at **Appendix C**.

3. BUDGET REQUIREMENT 2024/25

3.1. Current Year Performance (2023/24)

- 3.1.1. As the Authority's core spending requirements remains constant year on year, a review of current year's performance is important in identifying whether there are any underlying problems within the base budget.

3.1.2. The current projection for the Revenue Outturn for 2023/24 (based on the October 2023 monitoring) is as follows:

Service	Approved Budget £'000	Total Expenditure Forecast £'000	Variance Forecast For Year £'000
Chief Executive	20,640	20,258	-382
Communities	131,166	134,815	3,649
Corporate Services	31,520	30,708	-812
Education and Children's Services	202,813	209,583	6,770
Place and Infrastructure	68,871	70,545	1,675
Departmental Expenditure	455,010	465,910	10,900
Corporate contingency	1,510		-1,510
Capital Charges	-19,513	-22,513	-3,000
Levies and Contributions	13,334	13,334	0
Transfer to/ from Reserves	0	-1,078	-1,078
Net Expenditure	450,341	455,654	5,312

The main reasons for the departmental variances are as follows:

- Chief Executive's Department: underspends on member allowances and travelling and vacant posts across the department, offset by People Management overspends, increased Coroners costs and a shortfall on Land Charges income.
- Communities Department: overspends across all service areas except Physical Disabilities. The most significant areas are Older People Residential and Home Care budgets, and both supported living and residential care for adults with Learning Disabilities and Mental Health needs. Additionally, Leisure is also overspent, primarily due to challenges breaking even in the first year of the Pendine Attractor project.
- Corporate Services: there are underspends on pre-Local Government Reorganisation pension costs, and vacancies in Housing Benefits Administration, partially offset by an overspend in card payment fees.
- Education and Children's Services: Significant overspends in Children's Services driven by increased demand, agency costs and high rates for commissioned residential placements. There are also overspends arising from school meals and primary breakfasts.

- Delegated school budgets are also forecasting an overspend of which will be funded from school balances
- Place and Infrastructure Department: Temporary higher costs due to the interim phase of the Waste Strategy rollout, increased tender prices for school transport and reduced car park usage post-pandemic, offset by vacant posts across a range of services.
- At this point the Authority is currently forecasting an overspend of £5.3 million which will need to be met from general balances. In addition to this, Schools are forecasting an aggregate reduction of £8.8m on balances.

Validation

3.1.3. Validation reflects the changes in expenditure requirements to deliver the **current level** of services in future years. Primarily this is inflation, but also includes some service specific changes. Whilst inflation is abating, it remains well above the Bank of England’s 2% target. Our budget strategy is to set inflationary assumptions for next year at 4% generally (the prevailing rate). Further ahead, we have assumed a gradual easing over years 2 and 3 of the Medium Term Financial Plan (MTFP) back to the 2% target. This provides departments with an element of protection against price movements, however this is recognised as a key risk, particularly inasmuch as it is a key indicator for nationally set pay awards, with staff costs by far the largest expenditure item. The proposed validation factors are detailed below:

	<u>2024/25</u> Original	2024/25 Proposed	<u>2025/26</u>	<u>2026/27</u>
General inflation - Expenditure	3.0%	4.0%	3.0%	2.0%
General inflation - Fees & Charges	3.0%	4.0%	3.0%	2.0%
Electricity & Gas	-10.0%	£(3.0)m	-10.0%	0.0%
Fuel	3.0%	0.0%	0.0%	0.0%
Pay Inflation - non teaching	3.0%	4.0%	3.0%	2.0%
Pay Inflation - Teaching	3.0%	4.0%	3.0%	2.0%
NI increase	nil	nil	nil	nil
Levies	3.0%	10.4%	3.0%	2.0%
Pension Contributions	nil	nil	nil	nil
Capital Charges	£500k	nil	£500k	£500k

The only change since the draft budget is the Fire Authority levy. In the absence of formal communication from Welsh Government, the levy has been prepared on the basis that the increase in firefighters employer pensions contributions will be

funded via a grant increase from Welsh Government to Local Authorities. This is shown explicitly on Table 1 appended to this report.

- 3.1.4. The Swansea Bay City Region is responsible for 9 projects and is reliant upon £241m of UK and Welsh Government Funding. During 2018/19 a joint agreement was approved by all four Local Authorities and a Joint Committee was created. The principle behind the funding structure of the City Deal is that each Local Authority will be required to borrow the value of the funding allocated to their project and the UK and Welsh Government will repay this debt over a period of up to 15 years. The County Council is the Accountable Body for the whole City Deal and also has ownership of four projects: Yr Egin; Pentre Awel (Wellness & Life Science Village); Skills and Talent programme; and Digital Infrastructure – the last two being regional projects.

Phase 1 of Y Egin project is complete and ideas for Phase 2 are being developed. The Pentre Awel project, which is the County Council's main strategic project is well advanced and the construction of Zone 1 is now about 50% complete with the anticipated completion date of Zone 1 being October 2024. This element of the project is the main core and includes the Leisure, Health and Academic elements of the build.

The value of the Pentre Awel project (Zone 1) and the funding has been included within the Capital Programme, as the County Council will be required to borrow against this scheme. Total project cost of this element is in the region of £96m.

- 3.1.5. There remains significant uncertainty in the budget which relates to pay costs for all staff. This final budget maintains the budget strategy assumption of a 4% award for our NJC staff in April 2024. This is in line with the current CPI rate at the time of writing.

For staff on NJC terms and conditions, the 2023/24 budget shortfall caused by the nationally set April 2023 award of £1,925/3.88% has now been calculated in detail and fully provided for in base budgets going forward. This adds a further £140k to the validation figures costed in the draft budget.

It should be noted that if the increase agreed is above 4%, this would represent an unfunded budget pressure, and has the potential again to be significant given that pay represents the largest expenditure item within the budget. This clearly represents a significant financial risk to the Authority.

3.1.6. For teachers pay, the picture is likewise complicated:

- There is a similar need to build in “budgetary catchup” for the full year effect of the unfunded Minister’s uplift to the September 2022 and September 2023 pay awards. County Council in January 2024 approved a motion calling on Welsh Government to fully fund the uplift, but no additional funding has been allocated in this respect at the time of writing.
- Looking ahead to the September 2024 award, there is no indication of the Welsh Government assumption, nor will the Independent Welsh Pay Review Body recommendation be published until well after local authorities must legally set budgets. In consequence, we have maintained our assumption of a 4% increase in line with prevailing inflation.

3.1.7. There is a clear risk to the Budget Strategy as departments may find it difficult to manage their expenditure within these parameters, especially where service specific inflationary increases may differ to the global validation rates. The removal of the full value of corporate contingency as proposed in the budget strategy report leaves no explicit mitigation for in-year overspends or under delivery of budget reduction proposals. This risk is something that will require close monitoring during the year.

3.1.8. In total validation adds over £23m onto the current year’s budget.

3.2. Cost Reduction Programme

3.2.1. As detailed in the report to Cabinet on 15th January 2024, in anticipation of the settlement not being sufficient to cover demand pressures and inflationary factors, significant work in identifying further service efficiencies/ rationalisation proposals had been undertaken and more than 100 individual savings proposals were included for consideration.

3.2.2. The current proposals are attached in **Appendix A** and are categorised as follows:

Managerial – cost reductions that result in no perceivable change to the overall level of front-line service delivery or Council policy

Policy – Efficiency or service rationalisation proposals that will directly affect service delivery (generally frontline).

3.2.3. Equality Impact Assessments have been conducted on new policy proposals. These are intended to identify whether these savings could have a disproportionate impact on one or more groups. Where this is the case appropriate consultation with representatives of such groups is conducted and measures to mitigate the impact will be considered where possible.

3.2.4. All ‘existing policy’ proposals have undergone public consultation and Equality Impact Assessments have been prepared in previous years, and updated where necessary.

3.2.5. The cost reductions included in the draft budget strategy were as follows:

	2024/25 £m	2025/26 £m	2026/27 £m
Managerial	6.439	2.465	2.024
Existing Policy	0.088	0.365	0.730
New Policy	4.234	0.574	0.685
Vacancy Factor	2.000		
Total	12.761	3.404	3.439
Shortfall	0.801	8.694	7.566

3.2.6. It should be noted that in years 2025/26 and 2026/27 there are significant shortfalls in the cost reduction targeted savings and this will need addressing during the forthcoming financial year.

3.2.7. Following feedback from the budget consultation activities undertaken, it is recommended that the following amendments are made to the budget:

Proposal	2024/25 Value (£000)	Recommendation
Schools budget reduction	1,000	Defer £1m of the proposed reduction in schools funding until 2025/26, providing more lead in time for schools, recognising the consultation response from members and the public. Temporary funding to be provided from the RSG reserve, build up during the pandemic

Youth Support Services	100	Defer £100k reduction, recognising concern from public and members
Public Conveniences	210	Defer £210k reduction, recognising concern from public and members and pending asset transfer consultation option being considered.
School Music Service	100	Defer £100k reduction, recognising concern from public and members
Primary Free Breakfasts / care provision	100	Continue with transfer of service to schools responsibility, but with £100k additional funding to provide for a more sustainable/ more financially attractive to schools which may help grow existing income generation
Highways - various	423	Defer the following highways budget reductions, recognising members concerns: Surface Dressing £100k, Road Sweeping £100k, Winter Gritting £98k, Gulley Cleansing £70k, General maintenance £30k, Jetting £25k
Flood defence	20	Defer £20k reduction, recognising concern from members
	1,953	TOTAL 2024/25 REDUCTIONS ADJUSTMENTS

3.2.8. Adjustments to savings proposals have been reflected in the detailed list provided in **Appendix A**, giving a revised total for 2024/25 of £8.808m of specific departmental proposals. As can be seen from the table above, most proposals have been deferred rather than removed, recognising the extremely challenging financial position expected in years 2 and 3 of the MTFP. Funding for these amendments will be provided from the proposed increase in Council Tax.

Further consultation will also be required regarding the Post-16 transport proposal to allow the Local Authority to consider alternative options. As a result, the reductions proposed in 2025/26 are deferred by a year to 2026/27.

These changes are reflected in the appendix, giving revised figures as follows:

	2024/25 £m	2025/26 £m	2026/27 £m
Managerial	5.896	2.778	2.154
Existing Policy	0.088	0.365	0.730
New Policy	2.824	1.534	0.673
Vacancy Factor	2.000		
Total	10.808	4.677	3.557
Shortfall	nil	8.421	7.447

3.3. New Expenditure Pressures

3.3.1. New expenditure pressures are the combination of additional cost to meet existing service needs e.g. increased client base/greater service take up and the costs of meeting change in service provision e.g. policy changes.

3.3.2. The draft budget provided £15.4m of funding towards known and unavoidable service pressures.

A full list of core funded pressures is provided at **Appendix B**.

3.3.3. As outlined in the draft budget almost all of gas and electricity requirements have been secured for 2024/25. A reduction in wholesale market prices has allowed the removal of £3m from energy budgets across council departments. Based on current indications, there are expected to be further reductions for 2025/26, with an estimated 10% fall built into budget projections.

3.4. Schools Delegated Budgets

3.4.1. The draft budget was constructed on the basis of full funding to schools for known and unavoidable pay, pensions and inflationary increases. Against this, an explicit reduction of £3.5m (2.5%) was proposed, which recognised the scale of overall budget shortfall and the need for all areas of Council services to find efficiencies. As referenced in the table at paragraph 3.2.7 above and in Appendix A, this sum has been reduced by £1m to £2.5m in recognition of the public consultation responses. This reduction is unfortunately not removed but instead deferred to 2025/26, recognising the bleak financial picture outlined in paragraph 1.5.

Despite this improved position for school budgets, the scale of the financial challenge should not be underestimated. The current year forecast draw on school reserves is clearly not sustainable.

3.4.2. With teachers pay representing the largest line item in school budgets, there remains continued financial risk over pay rises, with the added uncertainty regarding the teachers pension employers contributions. This has now been calculated at a value of £3.8m for core funding, and added to the grant funding line. It is widely assumed to be fully funded, however this is not confirmed and there is always the inherent risk that through a distribution formula there could be winners and losers between Local Authorities. This again is a significant financial budget risk to the Authority.

4. FUNDING

4.1. Revenue Settlement 2024/25

4.1.1. WG are not due to publish the final local government settlement for 2024/25 until 27th February 2024.

4.1.2. Consequently, this paper is based on information already released in relation to specific funding elements as well as officers' assumptions where appropriate.

4.1.3. Since the draft budget, Welsh Government has confirmed the £25m Barnett consequential arising as a result of the Social Care Funding allocations in England will be used to reinstate the

£10m cut to the Social Care Workforce Grant (c. £600k for Carmarthenshire), with the remainder added to Local Authorities Revenue Support Grant. This provides an extra £889k for Carmarthenshire. Our working assumptions at this stage are:

- Teachers and Firefighters employers pension increased costs will be met in full
- That no further funding will be forthcoming from WG in respect of the unmet costs of the increased Teacher pay awards.

4.1.4. Our draft budget was based on the combined value of a small increase in tax base, together with the 50% premium for empty and second homes, yielding a total additional income of £2.1m.

4.1.5. Bringing together all the proposals contained in the paper, the final budget amendments are summarised below:

Paragraph		£000s
1.1.	Draft budget – shortfall	(801)
3.1.5.	Pay validation calculations	(140)
3.2.7.	Deferral of Savings proposals	(1,953)
	Total Funding Gap	(2,894)
4.1.3.	Additional RSG Barnett consequential	889
5.2.3	Application of £1m RSG Reserve towards school budgets	1,000
	Remaining Funding Gap	(1,005)

Taking account of the budget amendments outlined above which respond as far as is possible to the responses in the consultation, it is necessary to increase council tax by some 7.5% in order to achieve a balanced budget.

Taking account of any recommendations made by Cabinet to County Council, the Director of Corporate Services will need to make any future changes necessary in consultation with the

Chief Executive, the Leader and the Cabinet Member for Resources, following receipt of the Final Settlement information from WG on 27th February. This includes in particular any technical adjustments in respect of the funding mechanism for both Teachers and Firefighters pensions increases, as well as a signalled intention for WG to transfer a number of service specific grants into the settlement, albeit there is still no final confirmation in this regard at the time of writing.

- 4.1.6. Based on the provisional information, the salient points of next year's settlement are noted below:
- 4.1.7. The draft settlement for 2024/25 gave an increase in Standard Spending Assessment (SSA) for Carmarthenshire of £19m (4.2%) with a similar increase on an all Wales basis reflecting the significant pressures the sector is facing.
- 4.1.8. There are no forward indications of future funding, with the requirement of a UK general election within the next 12 months compounding uncertainty.
- 4.1.9. Welsh Government confirmed in its draft budget on 20th December that Business Rate Poundage is to be increased by 5%. Additionally, Welsh Government did not follow UK Government in maintaining the 75% Retail Leisure and Hospitality rates relief, instead reducing the support available for businesses in Wales to 40%.
- 4.1.10. The table below provides a summary of the overall position for this authority after the final settlement:

	2023/24 Settlement £m	2024/25 Original Notification £m	2024/25 Final Settlement £m
Standard Spending Assessment	451.271	470.349	Available 27 February
Aggregate External Finance	338.410	350.330	Available 27 February
Difference	112.861	120.019	

The difference represents the sum which WG estimates Local Authorities will need to raise through taxation or charging. The SSA update this year has incorporated some surprising changes, including in particular an increase of 3.7% in the cost of school services.

Internal Funding

4.1.11. Generally speaking, whilst the use of reserves to support annual budgets should not be summarily discounted, it must be treated with caution. Funding on-going expenditure from such funds merely defers and compounds difficult financial problems to the following year. One-off items of expenditure within any budget proposal lend themselves better for such funding support.

4.1.12. In deliberating this point however, members must bear in mind any **inherent risks** that may be built into the budget strategy. These remain in line with the risks outlined in the Budget Strategy report:

- Constrained public finances at both Westminster and Welsh Government level, with an increased debt servicing burden and taxation levels already at an all-time high
- Schools' ability to set and deliver balanced budgets next year given current year reserves drawdown forecasts. This will require clear prioritisation from Governing Bodies and an acceptance that difficult decisions will need to be taken
- Cash-flat grants again next year, which inevitably will either reduce outputs, or increase pressure on core departmental budgets
- 2024 NJC and Teachers Pay awards – our 4% assumption may be insufficient
- Funding and liability of the Teachers and Fire Fighters employer Pension Costs
- Deliverability of the Budget reductions and the Vacancy Factor
- Any worsening of the Children's Services position, or delays to delivery of the recovery plan.
- Adult Social Care delivery – despite the reinstatement of the SCWG, the funding position remains challenging
- A stable position on empty homes – with the increased premium offsetting the lost income from homes brought back into use
- Council Tax reform potentially leading to difficulties achieving current collection rates in future years

Sensitivity impact analysis:

Budget element	Movement	Annual Impact £m
Pay inflation	1%	2.7
General inflation	1% (expenditure only)	2.5
General inflation	1% (income only)	-1.4
WG Settlement	1%	3.5
Specific Grants	1%	1.0
Council Tax	1%	1.0

4.1.13. The following table summarises the main categories of reserves held by the Authority.

	1 st Apr 2023 £'000	31 st Mch 2024 £'000	31 st Mch 2025 £'000	31 st Mch 2026 £'000
Schools Reserves*	11,124	2,379	-	-
General Reserves	14,756	9,444	9,444	9,444
Earmarked Reserves	142,868	103,699	57,359	43,166

Schools' reserves forecasts not available after March 2024

4.2. School Reserves

4.2.1. Schools have delegated responsibility for the management of their own finances. The level of reserves held by an individual school at any point in time will depend on a number of factors including the level of contingency fund that the school Governing Body considers appropriate and the particular plans each school has for expenditure. The forward forecast is based on the current year budget monitoring and an expectation of multi-year deficit recovery plans to be finalised.

4.2.2. Legislation allows schools to carry forward reserves from one financial period to another. Current guidance requires schools to limit their carry forward to £50,000 for Primary Schools and £100,000 for Secondary Schools or 5% of their budget dependent on what is greater. School Improvement Officers continually work with schools to ensure they comply with the guidance. As at 31st March 2023, 24 primary, 2 secondary and one special school were in deficit.

5. GENERAL RESERVES

5.1.1. In the changeable and challenging environment currently facing Local Government, the Authority is committed to maintaining a reasonable level of General Reserves or Balances. Whilst there is no prescribed minimum level for Balances, the Authority has previously deemed 3% of net expenditure as being a prudent level, which has been accepted by our Auditors as being reasonable. As at 31st March 2023, General Reserves stood at £14.756m, or 3.3% of the 2023/24 net revenue budget.

5.1.2. The overall level of Balances is taken into consideration each year when the annual budget is set and has on occasions been utilised to augment expenditure/reduce Council Tax. The 2023/24 budget was set on the basis of a nil transfer from General Reserves.

5.1.3. As outlined in paragraph 3.1.2, the current year forecast is indicating an overspend position of £5.3m. Should this situation outturn, general reserves would drop below £10m, or around 2.0% of the proposed 2024/25 net revenue budget. On this basis it is deemed imprudent at this stage to assume any further support for future years budgets from the current General Reserves.

5.2. Earmarked Reserves

5.2.1. The Authority holds earmarked reserves which have been set up to finance the delivery of specific projects, or in protecting the authority against future liabilities or issues. The reserves can be summarised as follows:

	31 March 2023 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2027 £'000
Insurance	13,655	13,655	14,155	14,155	14,155
Capital Funds	52,744	35,358	14,630	7,204	4,204
Development Fund	1,064	793	1,880	1,962	2,043
Corporate Retirement Fund	6,241	5,705	4,704	3,720	4,655
Joint Ventures	1,613	1,512	1,411	1,310	105
Other	67,551	46,676	20,579	14,815	12,881
TOTAL	142,868	103,699	57,359	43,166	38,043

5.2.2. As can be seen from the table above, the level of earmarked reserves fluctuates greatly year on year, and whilst the level in each fund is not an exact science it is based on an informed estimate and past experience of the likely call on the authority in future years in line with the intended purpose of each reserve. Great care must therefore be taken when considering utilising

such funds for purposes other than those which they were created as this could lead to the authority being faced with substantial unfunded liabilities in the future.

5.2.3. The budget proposals include the explicit use of £3m from the RSG reserve, which was built up during the pandemic, to support the following:

- £2m to support expenditure on commissioned children's residential placements whilst the in-house provision is developed
- temporary funding to enable the deferral of £1m of budget reductions to schools

Taking account of the proposals within this report, including the use of reserves, the Director of Corporate Services confirms that overall the estimated level of financial reserves (as indicated above) is adequate for the financial year 2024/25, with the General Reserves as set out in paragraph 5.1.1 being at the minimum that could be supported in view of the inherent risks outlined above in paragraph 4.1.12

6. WELLBEING OF FUTURE GENERATIONS (WALES) ACT 2015

6.1. In considering the budget proposals, members need to take into consideration the requirements of the Wellbeing of Future Generations (Wales) Act 2015. The Act requires that we must carry out sustainable development, improving the economic, social environmental and cultural well-being of Wales.

'... the public body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs'

6.2. In doing so, we must demonstrate the following 5 ways of working:

- Looking at the long-term so that we do not compromise the ability of future generations to meet their own needs
- Understanding the root causes of the issues to prevent them recurring
- Taking an integrated approach so that we look at all well-being goals and objectives of other services and partners
- Collaboration – Working with others in a collaborative way to find shared sustainable solutions

- Involving a diversity of population in decisions that affect them
- 6.3. Our Corporate Strategy was revised for 2022-27. Our revised Well-Being objectives are:

1. Enabling our children and young people to have the best possible start in life (Start Well)
2. Enabling our residents to live and age well (Live & Age Well)
3. Enabling our communities and environment to be healthy, safe and prosperous (Prosperous Communities)
4. To further modernise and develop as a resilient and efficient Council (Our Council)

7. MEDIUM TERM FINANCIAL PLAN AND COUNCIL TAX PROPOSAL 2024/25

- 7.1. The table below provides members with a summary of the latest position which reflects the contents of this report.

Assuming that the Council Tax increase is set to 7.5%, this will give an estimated income from Council Tax of £122.550m taking into account the 50% second and empty homes premiums. When added to the Welsh Government settlement this will provide a net available expenditure budget for the Authority of £479.932m.

	2024/25 £'000	2025/26 £'000	2026/27 £'000
Previous Years Budget	450,341	479,932	485,921
Validations/Adjustments	40,399	19,087	17,887
Validated Budget	490,740	499,019	503,808
less			
Efficiency/Service Rationalisation	-10,808	-13,098	-11,005
Projected Budget	479,932	485,921	492,803
Potential sum available			
	479,932	485,921	492,803
WG Settlement			
RSG & NNDR	-350,330	-353,827	-356,304
Pension grants	-4,052	-4,174	-4,257
Earmarked reserve funded expenditure	-3,000		
Call on Council Tax	122,550	127,920	132,242
Tax Base	76,460	76,741	77,023
Council Tax Rate (Band D)	£ 1,602.80	£ 1,666.92	£ 1,716.90
Council Tax Increase	7.50%	4.00%	3.00%

A full summary of the Budget Build up can be seen in **Table 1**.

7.1.1. Years 2 and 3 of the Medium Term Financial Plan assume the identification of a further £8.4m and £7.4m budget reduction proposals in 2025/26 and 2026/27 respectively, and delivery of all proposals in full in order to achieve a balanced budget. These will be re-visited when we are preparing the following years draft budget strategy.

7.1.2. It must be emphasised that the figures for the outer two years of the plan are indicative only and must therefore be treated with caution as the settlement figures, growth pressures and the inflation assumptions contained therein will all be subject to revision as the year progresses and firmer data becomes available.

Recommendations

- 7.2. That Cabinet consider and recommend to County Council:
- 7.2.1. The Budget Strategy for 2024/25, which includes the amendments at paragraph 4.1.5;
 - 7.2.2. The Band D Council Tax for 2024/25 of £1,602.80 (an increase of 7.50%);
 - 7.2.3. The removal of specific savings proposals as identified in paragraph 3.2.7
 - 7.2.4. The use of £3m from the RSG reserve, being £2m to support temporary costs of commissioned residential children's placements and £1m to support the delegated schools budget, as outlined in paragraph 5.2.3
 - 7.2.5. The Medium Term Financial Plan which will form the basis for future years financial planning;
- 7.3. That Cabinet/County Council delegates to the Director of Corporate Services, in consultation with the Chief Executive, Leader and Cabinet Member for Resources, to make any amendments necessary as a consequence of the WG final settlement due on 27th February 2024.

Mae'r dudalen hon yn wag yn fwriadol

Proposals																
	MANAGERIAL				EXISTING POLICY PROPOSALS				NEW POLICY PROPOSALS				TOTAL PROPOSALS			
	2024/25	2025/26	2026/27	TOTALS	2024/25	2025/26	2026/27	TOTALS	2024/25	2025/26	2026/27	TOTALS	2024/25	2025/26	2026/27	TOTALS
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	690	82	109	881	0	0	0	0	0	0	0	0	690	82	109	881
Education	905	165	155	1,225	35	320	730	1,085	100	300	385	785	1,040	785	1,270	3,095
Schools Delegated	0	0	0	0	0	0	0	0	2,454	1,000	0	3,454	2,454	1,000	0	3,454
Corporate Services	320	210	0	530	0	0	0	0	0	0	0	0	320	210	0	530
Communities	3,182	1,474	1,535	6,191	0	0	0	0	0	0	0	0	3,182	1,474	1,535	6,191
Place & Infrastructure	799	847	355	2,001	53	45	0	98	270	234	288	792	1,122	1,126	643	2,891
	5,896	2,778	2,154	10,828	88	365	730	1,183	2,824	1,534	673	5,031	8,808	4,677	3,557	17,042

DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Chief Executive							
Chief Executive & Business Support	947	Departmental business support, support to the Leader, Cabinet and Chief Executive	20	11	11	42	2024-25 : Reduction in use of costs associated with franking machines; 2025-26 : continued review of staffing structure and working practices within the business units; 2026-27 : continued review of staffing structure and working practices within the business units
People Management division	3,046	Includes Payroll, People Services, Organisational Development, Employee Wellbeing , HR Development Team, Transformation team & Business and Project Support. Currently some staff are embedded in specific functions	71	40	40	151	2024-25 : Introduction of a Commercial manager which will generate an income stream. Realignment of Division. Introduction of AI to allow greater staff efficiencies; 2025-26 : Realignment of Division. Introduction of AI to allow additional staff efficiencies; 2026-27 : Realignment of Division. Introduction of AI to allow additional staff efficiencies. The efficiency is proposed to be delivered by centralising roles which are currently deployed within specific services to provide a more efficient and responsive central service
People Management division	---"---	---	35	0	0	35	Review of staffing / vacant posts
Corporate Policy - Armed Forces & Remembrance	5	Budget for Armed Forces & Remembrance events.	5	0	0	5	Reduce Armed forces core funding (replaced with grant)
Corporate Policy	704	Policy & Partnership team deal with Council policy (in relation to Welsh language, sustainable development, equalities and tackling poverty), consultation & engagement with elected members and public, data & information, and public service collaboration through the Local Service Board and related strategic partnerships	8	0	0	8	Cease Industrial Alliance Wales membership
Information Technology	4,816	ICT Services underpins and contributes towards all that the Council delivers both internally as an organisation and externally to service users and communities, independently or in partnership. It is a vital function providing innovative opportunities for improving services and achieving our priorities in an efficient and effective way. IT Services is pivotal as an enabler of change and a vehicle for driving forward transformational improvement to all services. We continually strive to deliver our solutions in an efficient manner and in line with our key Digital Strategies (Digital Transformation Strategy, Digital Technology Strategy, Digital Schools Strategy). The work the service does significantly contribute to financial savings being delivered from revenue budgets held across the Authority by other service areas.	36	0	0	36	Upgrade and improvement of telephony system
Information Technology	----"----	----	17	0	0	17	Hardware budget reduction
Registration of Electors	176	Compiling the Register of Electors including the annual canvass.	16	0	0	16	No future requirement for Canvassers
Marketing & Media Division	2,139	This is a highly visible service within the Authority. Working with all Council departments, Marketing and media support and deliver all aspects of how we communicate with our customers internally and externally. This includes the management of the contact centre and Hwbs; translation, consultation and engagement; marketing and media; digital content; advertising; sponsorship and product development with full responsibility for the corporate brand.	77	0	27	104	2024-25 : £77k review of customer services function ; 2026-27 : £27k further staffing efficiencies Bring all marketing and media posts within services (including grant funded roles) into a corporate marketing and media team to build resilience, expertise, strengthen brand management and optimise use of staff resources
Regeneration	5,941	Regeneration is a key priority for the council. The section provides Business, employability, grant funding and skills support and advice. We also deliver physical regeneration projects throughout the county, including the Swansea Bay City Deal Pentre Awel Life Science and Wellness Village at Delta Lakes. The Regeneration section is responsible for the management of land assets (those within the economic/commercial portfolio) of the Council, taking a strategic commercial view to ensure the portfolio is managed to meet the Council's economic development needs.	185	0	0	185	£125k efficiency following the rationalisation of Admin building, £20k reduction in supplies and services within Regeneration; £10k additional property income (planning viability assessments) £30k reduction in staffing costs
Regeneration	----"----	----	100	0	0	100	Additional budget reduction following building rationalisation
Regeneration	----"----	----	50	0	0	50	End of Formal funding agreement for Swansea Bay City Region Central Budget costs
Regeneration	----"----	----	15	0	0	15	further staffing reduction

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DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Property Maintenance - Notional allocation	2,800	This division is responsible for the day-to-day and long term repairs & maintenance of the council's estates including schools, administrative buildings, depots etc.	55	31	31	117	Over 98% of the budget for the Property Division comprises the Revenue Maintenance Budget. Efficiencies are proposed to be met through reducing expenditure on revenue maintenance across the Council's buildings following disposal of some properties and previous capital improvements undertaken to others. We are also aiming to make savings through new procurement arrangements and seeking to in-source areas of work where it is more cost effective than using external contractors or consultants.
Chief Executive Total			690	82	109	881	

DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	

Corporate Services

Financial Services

Debtors	303	Centralised Debtors function responsible for invoicing and income collection across departments	35	35	0	70	Increase in Delta Wellbeing SLA charged to reflect work undertaken
Pre LGR Pension Costs	1,995	Centralised budget to meet the ongoing financial liabilities of staffing changes arising from Local Government Reorganisation	200	100	0	300	Reduction in call on budget as numbers reduce
Treasury	-75	Treasury function managing more the council's overall loan portfolio well as daily cash management. Provides the service to Dyfed Pension fund and Swansea Bay City Region with costs recharged	75	75	0	150	Increased investment returns from treasury activity - assumes recent increase in interest rates sustained and higher level of cash balances retained
Total Financial Services			310	210	0	520	

Revenues & Financial Compliance

Internal Audit	497	Centralised internal audit function providing assurance across corporate functions. Provides the service to the Fire Authority and Delta Wellbeing under an SLA	10	0	0	10	Increase in SLA charged to reflect work undertaken
Total Revenues and Financial Compliance			10	0	0	10	

Corporate Services Total			320	210	0	530	
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DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Place & Infrastructure department							
Highways & Transport							
Parking Services	-1,325	The County Council provides off street car parking facilities in towns and villages to support the expeditious movement of traffic to enable town centres to function. Parking supports these wider transport policy objectives and enables the authority to maintain highway and public transport services. There are 57 car parks across the county.	9	0	0	9	Introduce a second camera enforcement vehicle (£40k efficiency in 23/24)
Parking Services	-----"	-----"	30	0	0	30	New fixed camera enforcement sites to tackle congestion & improve road safety, New sites to enforce yellow box blocking and banned turning movements (£30k efficiency in 23/24)
School Transport - ALN	5,371	Provision of home to special schools transport in accordance with statutory obligations. Provision of passenger assistants for pupils with Additional Learning Needs	110	0	0	110	Additional Needs Personal Travel Budgets. Parents will be offered a personal travel budget to help reduce demand on the Authority. (£30k efficiency in 23/24)
Asset Utilisation - Client budget reductions Invest to Save	various across the dept	Use of vehicles and plant with service users.	24	0	0	24	Review the utilisation of plant for all services within the department. (£10k efficiency in 23/24)
Street Works	87	Co-ordination and management of all works affecting public highways in accordance with the Traffic Management Act - including utility works. Supervision of new housing estate roads in preparation for future adoption by Carmarthen County Council under section 38 of the Highways Act.	10	4	0	14	Additional income generation from Street Works compliance issues and coring programme. Cost Recovery not income generation i.e. Retrospective charge for sub standard reinstatement work identified from coring sampling of reinstated works undertaken by utility companies.
Asset Management	262	National Indicator Highway condition surveys - Road condition (Scanner) and Footway condition (Footway Network Survey).	17	0	0	17	Scrim Surveys ~ Cease SCRIM surveys on A&B roads - reactive approach instead using accident monitoring
Highway Maintenance Services	8,582	Maintenance function associated with the highway network covering funding for various maintenance categories. The County Council maintains 3,649km of highway, it is the second largest in Wales. The unit maintains the highway network in accordance with statutory obligations.	20	0	0	20	Verge mowing ~ reduce width of cuts within 30/40mph areas to safety cut for visibility and safe access purposes. Present policy includes full width cut to highway boundary. No risk to safety. Areas not deemed as amenity.
Highway Maintenance Services	-----"	-----"	0	100	0	100	Reduced surface dressing
Highway Maintenance Services	-----"	-----"	0	100	100	200	Mechanical road sweeping - Cease routine Mechanical Sweeping of rural roads - the routine highways sweeping function will cease and only be provided on a reactive basis to cover emergency spills affecting the safety of the highway.
Highway Maintenance Services	-----"	-----"	0	52	0	52	Winter Gritting (operations) ~ Rationalise Winter Maintenance Operation - routes have been reviewed and reduced to achieve the reduction in expenditure. Reduction of county gritting routes via a risk based / network hierarchy approach. Cost of 1 Gritting Route last year based on 79 runs (labour & materials) = £52,000 Reduction in 1 No. gritting route based on Network Hierarchy / HAMP risk based approach
Highway Maintenance Services	-----"	-----"	0	46	0	46	Winter Gritting (plant) ~ Reduction in one gritting route will facilitate disposal of a 26t Gritter with annual plant costs of £46k being saved
Highway Maintenance Services	-----"	-----"	0	30	30	60	General Mtce / Minor Works ~ Reduce general maintenance budget - subject to the financial position remaining unchanged the service will be forced to further reduce the level of general maintenance work. Negative impact on general maintenance work, total revenue and capital budget is insufficient to meet demand. Backlog of maintenance works will continue to increase leading to claims.
Highway Maintenance Services	-----"	-----"	25	25	0	50	Signs ~ Reduce maintenance budget and prioritise work in line with the risk based / network hierarchy approach laid down in the HAMP.
Highway Maintenance Services	-----"	-----"	25	0	0	25	Road Studs ~ Reduce maintenance budget and prioritise work in line with the risk based / network hierarchy approach laid down in the HAMP.
Highway Maintenance Services	-----"	-----"	0	25	0	25	Jetting ~ Reduce maintenance budget and prioritise work in line with the risk based / network hierarchy approach laid down in the HAMP.
Highway Maintenance Services	-----"	-----"	0	70	0	70	Rationalise Gully Cleansing Operation - detailed intelligence on gully performance has been gathered to enable the service to prioritise the cleansing frequency.
Traffic Management	295	Implement road safety/speed management schemes in accordance with statutory obligations.	2	0	0	2	Introduce charging policy for events TTRO
Traffic Management	"	-----"	1.5	0	0	2	Charge for providing disabled parking bays (currently 6 / year at £250)
Total Highways & Transport division			274	452	130	856	

CC HAMP

DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Waste & Environmental Services							
Reduction in Black bag waste	6,738	Targeted campaigns to reduce waste and increase the awareness and use of all recycling schemes/initiatives. It is anticipated that this will result in the diversion of waste from the residual waste stream to the recycling waste stream, thereby realising savings due to the differential in the treatment costs as set out.	35	0	0	35	Anticipated savings due to differential in gate fee between blue bag and black bag treatment as a result of proposed kerbside black bag restrictions.
Waste Services - operational	4,071	The operational budget includes for the provision of resources, including vehicles and premises to effect the kerbside waste collection service.	0	0	200	200	2026/27 - Review of waste rounds and depot utilisation, subject to the conclusions of detailed route planning for the kerbside collection rounds.
Grounds maintenance - Reduced sub-contractor work	560	The Grounds Maintenance Section incorporates the direct responsibility of managing and maintaining parks and playgrounds, inland water areas and a large number of public open spaces within Carmarthenshire. It also maintains grounds for many other departments of the County Council such as Social Care and Housing, Cultural Services, Education and many individual schools. The Section also has numerous external clients such as Town and Community Councils and private sports clubs.	55	0	0	55	Reduce the reliance on sub-contractors through greater internal efficiencies.
Reduction in blue bag waste costs	2,941	Cost of haulage and treatment of blue bags	300	300	0	600	New infrastructure development will lead to a reduction in gate fees on dry recycling costs.
Public Conveniences	221	Operation, cleansing and daily servicing of the Public Convenience stock	7	0	0	7	Increased Charges for Public Conveniences - in line with neighbouring Authority(40p)
Cleansing Service	2,557	Sweeping and de-littering of streets and footways, including the provision and emptying of street litter bins.	0	50	0	50	Removal of additional provision for the Tyisha ward
Waste	total budget for Waste is £19.7m	The operational budget includes for the provision of resources, including vehicles and premises to effect the kerbside waste collection service.	50	0	0	50	CWM cost Efficiency
Total Waste & Environmental Services division			447	350	200	997	

Place & Sustainability

Ash Die Back	283	Contracted services budget for tree-felling as a consequence of the Ash Die back disease and pay costs for a Tree Safety officer post.	55	0	0	55	The budget reduction is based on the forward workplan and in the context of historic underspends given the unknown trajectory of the disease.
Strategic Policy & Placemaking	775	The team delivers a core statutory function and other non-statutory but key implementation functions - includes strategic and planning policy, s106 monitoring and compliance, Nutrient management, placemaking and sustainability policy but, also the forthcoming greening Carmarthenshire project funded through SPF grant award.	5	5	5	15	Reduction in general fees budget, excludes consultants and legal fees. Fees and consultancy fees represent circa £71k of the budget with savings against both headings proposed - however, the consultancy fees are essential in delivering our statutory function incl the preparation of the Revised LDP and post adoption the commissioning of specialist consultancy support necessary to develop new and innovative policy approaches - RISK to new policy development and ability to respond to changes in national policy, as well as Carms political and corporate priorities as well as delivery of statutory function.
Strategic Policy & Placemaking	-----	-----	0	10	10	20	2025/26 & 2026/27 - £20k saving following LDP adoption. RISK - reduced budget limits our ability to respond to pressures and develop policy where commissioning consultants is the only viable option e.g. second homes. Provides an opportunity to promote use of internal skillsets and knowledge to plug the non specialist gap.
Flood Defence	Flood defence unit & works budget £627k	Design, construction, maintenance and management of flood defence works. Investigation of causes of flooding.	0	10	0	10	Budget reduction in training as WG revenue grant currently funds training
Flood Defence	-----	-----	0	20	10	30	Reduction in budget that is utilised to manage and repair small issues around the county. This reduction will remove our ability to help other teams and react quickly to issues
Total for Place & Sustainability division			60	45	25	130	

Funded by

DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	

Service Improvement & Transformation

Service Improvement & Transformation	net budget for Business Support £85k	The Business support and Performance section provides support and advice to all sections of the Department by providing a variety of financial, administrative, democratic, business support, learning development, health & safety and performance management services. Costs are re-allocated based on time spent in supporting the various sections.	18	0	0	18	review salary budgets
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Place & Infrastructure Total			799	847	355	2,001	
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DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	

COMMUNITIES DEPARTMENT

Adult Social Care							
Residential Care & Supported Living - Learning Disabilities & Mental Health	23,642	Supported Living is provided for those individuals with Learning Disabilities or Mental Health issues who need support with daily living tasks to remain in the community. Support is provided from staff in the setting which can range from a few hours to 24/7 in some circumstances. Promoting independence is a key aspect of supported living.	550	445	445	1,440	I. Step Down 10 Individuals from Residential Care to supported living II. Step Down 2 Individuals to Shared Lives III. Increase Health funding contributions for 4 individuals IV. Review and 'right size' care packages used by people in supported living settings so support can be shared
Support in the community - Learning Disabilities & Mental Health	11,163	Direct Payments allow service users to receive payments from the local authority for their assessed needs, instead of care services. This can allow the service user more flexibility and control of their support package.	168	84	84	336	I. Use TEC solutions to reduce the level of 1-2-1 support hours required by people in their own homes II. Explore the use of user trusts by the NHS as an alternative to Direct Payments III. Pool Direct Payments which will allow people to share support when attending day services IV. Use grant funding to employ people attending skills hub
Day Services - Learning Disabilities	897	As part of the transformation of Learning Disability day service provision, the buildings will provide for those with most complex needs, this will also reduce the reliance on external providers for those with complex needs as more individuals with complex needs are supported by the in-house day service provision.	300	50	50	400	I. Support those with complex needs to use local authority day services as opposed to independent sector
			1,018	579	579	2,176	

Integrated Services							
Home Care - Older People	15,787	Domiciliary care support workers provide person-centred care and support for individuals to help them achieve positive outcomes and stay independent in their homes. Domiciliary care (also known as Home care) is provided to approx. 930 individuals in the county. On average approximately 10,000 hours per week are delivered by in-house and independent domiciliary care agencies.	650	400	350	1,400	Through robust and regular review of home based packages including review of double staffed packages and implementation of the releasing time to care methodology, we will reduce the number of care hours required. Calculations are based on a reduction of care hours per week per year minus increased investment in the review team to provide us with additional capacity to conduct reviews. We will improve the capacity of our in house service to deliver more hours and reduce the number of commissioned care hours.
Residential Homes - Older People	23,531	Residential care homes provide accommodation as well as 24-hour personal care and support for older people and adults who struggle to live independently, but do not need nursing care. Residential care homes help people manage daily life, such as assisting with getting dressed, washing and eating. There are approximately 850 older adults or adults with physical disabilities being supported in residential homes.	100	100	100	300	Reduction on spend on residential placements, due to robust challenge in relation to those who are eligible for Continuing Healthcare and minimisation of out of county placement.
Extra Care	161	Extra Care facilities provide supported accommodation as an alternative to a residential care home placement as described above. Cwm Aur historically provided Extra Care, but it has been difficult to let the properties so there has been a high level of voids for some time.	80	0	0	80	Removal of subsidy from Cwm Aur Extra Care facility
Carmarthenshire Integrated Community Equipment Store (CICES)	705	A joint equipment store managed by the local authority on behalf of the authority and Local Health Board for the provision of aids and equipment to clients. This is subject to a Pooled Budget Agreements between the local authority and Hywel Dda LHB	50	75	100	225	Investment in dedicated OT attached to CICES to challenge prescriptions of equipment. Saving based on saving, minus investment in OT.
Residential Care - Older People Section 117	23,531	Residential care homes provide accommodation as well as 24-hour personal care and support for older people and adults who struggle to live independently, but do not need nursing care. Residential care homes help people manage daily life, such as assisting with getting dressed, washing and eating. There are approximately 850 older adults or adults with physical disabilities being supported in residential homes.	50	50	50	150	Negotiation with the Health Board to reach a position whereby all Carmarthenshire residents placed in residential settings subject to S117 aftercare are funded on a 50/50 basis. This would include Health Board agreement to fund all those currently funded solely by the Local Authority (7 individuals currently). This would be in line with the approach already in place in relation to younger adults funded through the Health Board Mental Health and Learning Disability Directorate.
Total Integrated Services			930	625	600	2,155	

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DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Leisure							
Outdoor Recreation - Outdoor Education service	150	The current Outdoor Education offer operates a residential activity centre catering for school, youth and adult groups. Activities include climbing, abseiling, high and low ropes courses, Archery, Zip wire, canoeing, surfing and Team building exercises. The accommodation caters for up to 120 people on a B&B, half or full board basis. Self-catering and camping facilities are also available for smaller groups.	30	10	10	50	Reduced costs and increased income as part of transition to a new outdoor education service delivery model over the next 3-5 years.
Outdoor Recreation - Country Parks	297	The Outdoor Recreation Service manages a number of large Country Parks within its portfolio, including Pembrey Country Park, one of Wales' most visited outdoor attractions with over 500k visits pa. Pembrey offers a range of events and activities throughout the year, as well as operating a 300 pitch caravan and camping site and cafe / restaurant.	60	30	30	120	Increasing income through events, activities, and accommodation. Looking to reduce operating costs by investing in green technology to make park self-sustaining.
Y Gat Craft Centre	25	CCC Arts venues include Oriol Myrddin Art Gallery in Carmarthen, Y Gât in St. Clears and the Dylan Thomas Boathouse, Laugharne Y Gât (formerly known as St. Clears Craft Centre) is an arts facility that also hosts the local library and an in-house catering facility. The facility has an open gallery / shop area along with conference rooms facilities and studio spaces for local artists to hire.	5	5	5	15	Agreed reduction in subsidy to St Clears Town Council following handover from 1/7/23.
Libraries	2,958	Carmarthenshire libraries provide an extensive choice of books, DVDs, CDs, online services, newspapers and magazines. With over half a million books on offer between 3 regional, 13 branch and mobile libraries, the service offers invaluable support and access to Carmarthenshire residents. Public access computers and Wi-Fi are available at all libraries, and typically, the service issues over 600,000 books per year. The mobile service provides outreach services to rural parts of the County, linking up with various partners to deliver public information services online.	50	30	30	110	Year 1: Asset transfer of Llwynhendy to the Rural Council £11k; plus managerial savings £39k. Years 2 & 3 increasing the use of self service & digital technology in the service working towards automation & managerial savings.
Theatres	1,281	Carmarthenshire Theatres manage the Miners' Ammanford, Lyric Carmarthen and Ffwrnws Llanelli and promote a broad range of bi-lingual events and productions throughout the year for all age groups and interests. In previous years, in excess of 100,000 paying customers and participants visited and make use of our facilities. Carmarthenshire's flagship theatre, The Ffwrnws, established itself as one of Wales's leading Cultural and Entertainment venues. Typical annual figures are as follows: 266 visiting companies and hirers; 400 performances/events; 74,130 attendances; 33,805 participants.	25	15	15	55	Operational / managerial efficiencies primarily relating to increased secondary spend income.
Cultural Services - Dylan Thomas Boathouse & Museum services	766	Dylan Thomas' Boathouse in Laugharne is one of Carmarthen and Wales' best loved attractions drawing visitors from across the globe to experience the famous poet's home where he wrote some of his most recognisable work.	4	9	9	22	Increase income at the Dylan Thomas Boathouse and other CofGâr Museums by introducing a weekly pass, improved marketing and reviewing concessions policy
Museum and Arts services / CofGâr - new commercial income streams	736	CofGâr is the authority's museum and arts service that has benefited from investment and growth in staff numbers to increase the range and quality of services it delivers and ensure its long-term sustainability.	7	30	45	82	New commercial income streams: Introduce and increase a range of new public events, services, and commercial partnerships across all museums. The proposal is the diversification of income generation through retail, room hire, celebrations and weddings, ticketed events, donations and fundraising, and membership schemes. The targets on income growth will be supported by business plans and systematic reviews of assets and opportunities.
Actif Sport & Leisure	1,623	Actif Sport & Leisure operate 6 leisure centres across the County at: Carmarthen; Llanelli; Ammanford; Llandovery; Newcastle Emlyn; and St Clears. The Centres offer a range of modern indoor and outdoor facilities to help everybody enjoy healthier, more fulfilled lives. Some sites are also dual-use in terms of being used by the local school as well as the Community. The centres welcome millions of visits every year from Carmarthenshire residents and visitors.	83	49	49	181	Year 1: increased income (Actif Communities) increased operational and staffing efficiencies (Actif Anywhere, Leisure Centres). Year 2: increased income / reduced costs, including staffing / possible alternative management model for some smaller sites. Year 3: increased income / reduced costs / potential alternative management model for smaller sites.

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DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Actif Sport & Leisure	1,623	In 2025/26 Actif will be opening a brand new state of the art leisure centre at Pentre Awel, Llanelli to replace the existing, dated leisure centre offer. The new centre will provide increased commercial capacity and opportunity for income generating facilities such as fitness and exercise studios, as well as a larger capacity pool. The service will also be looking to open a new 24/7 gym and exercise offer in Carmarthen Town Centre, again with potential to increase commercial revenues, whilst also strengthening links with the health sector for referrals to prevent ill-health.	0	0	101	101	Increased income from new facilities at Pentre Awel and Carmarthen Hwb, with increased referrals from the health sector.
St Clears Leisure Centre	119	St Clears Leisure centre is one of 6 leisure centres operated by the Council in Carmarthenshire and offers facilities such as a 3 court sport-hall and a fitness suite and multi-purpose space. The leisure centre does not have a swimming pool. The centre also has changing rooms for indoor and outdoor sports (serving the football field behind, and the outdoor Multi-use games area - MUGA). Additionally, it is not located on a school site which differs from the other centres.	35	35	5	75	Increased usage of St Clears Leisure Centre
Catering	142	Leisure services and sites operate a number of food and beverage offers across the County. These range from fixed café / restaurant facilities such as at Y Caban hotel in Pendine and Yr Orsaf Café at Pembrey, to smaller franchise offers across the Millennium Coastal Park, mobile catering for events, and vending for out-of-hours provision and sites with no catering facilities. The service aims to promote a local, sustainable offer, nudging people towards healthier choices, whilst operating with a surplus to cross-subsidise our non-statutory services.	10	10	10	30	Improved catering profit at Country Parks and Leisure Centres
TOTAL LEISURE			309	223	309	841	
Commissioning and Support Services							
Business Support	1,315	The Business Support Division is made up of 130 staff, there are 8 core functions which are critical to supporting the Department for Communities: Collections, Payments, Financial Assessments, Audit & Compliance, Blue Badge, Transport, Buildings & Emergency Planning and Divisional Business Support	75	42	42	159	Rationalisation of Supplies and Services, and final reduction / efficiency from transport.
Departmental	885	Management and support functions for Communities Department	150	0	0	150	Review management posts - subject to corporate policies
Departmental	various across the dept	Cross-departmental review of vacant posts to realise efficiencies	150	0	0	150	Review all vacant posts in department.
Business Support	1,315	The Business Support Division is made up of 130 staff, there are 8 core functions which are critical to supporting the Department for Communities: Collections, Payments, Financial Assessments, Audit & Compliance, Blue Badge, Transport, Buildings & Emergency Planning and Divisional Business Support	20	5	5	30	Administration fees for work undertaken on behalf of partner organisations.
			395	47	47	489	
Housing and Public Protection							
Housing Services	3179	Housing & Public Protection provides a range of services in relation to Housing, Environmental Protection, Business and Consumer Affairs, Housing Options and Tenancy Support and Community Engagement. This includes providing housing advice and options at first point of contact, including refugee resettlement, managing the Housing Choice Register, pre-accommodation advice and community engagement.	400	0	0	400	Re-alignment of grants and other funding sources to support front line posts and service delivery
Public Protection	2,234	Housing & Public Protection provides a range of services in relation to Housing, Environmental Protection, Business and Consumer Affairs, Housing Options and Tenancy Support and Community Engagement. Managing Environmental Protection Services including food standards and hygiene, health and safety at events, air quality, noise nuisance, pollution, land contamination and anti-social behaviour	80	0	0	80	Full cost recovery for some licensed activity (e.g. taxi and gambling premises)

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DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Housing (in-house residential care)	5801	Residential care homes provide accommodation as well as 24-hour personal care and support for older people and adults who struggle to live independently, but do not need nursing care. Residential care homes help people manage daily life, such as assisting with getting dressed, washing and eating. Depending on the nature of their needs, their placement may be made by the local authority or jointly with the health board, or entirely by the health board if they qualify for free continuing health care (CHC).	50	0	0	50	Reduction in agency use within in-house care homes
			530	0	0	530	
Communities Total			3,182	1,474	1,535	6,191	

DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	

Education & Children

Departmental - cross cutting	various across the dept	Cross-departmental support costs including administration, financial processing, & premises management	0	75	55	130	Profiled to allow implementation of programme - linked with school rationalisation/federations. Root & branch review of support services across the Department in order to realise savings and increase flexibility
Management Structure review	848	Cross-departmental management review to realise efficiencies	100	50	0	150	Review of Department Management structure and realigning responsibilities.
Business support - dept	401	The Departmental Business Support Team discharge administrative functions across the department including creditors and debtors processes, administration of the Free School Meals and School Essential Grants, DMT and SMT support, mail handling, venue management (Neuadd y Gwendraeth) School Milk Grant management and co-ordination of Departmental communications.	25	0	0	25	vacant post not being replaced - net budget following amendments to 2 other posts
School Improvement	678	Partneriaeth is the regional professional learning provider for Carmarthenshire's schools funded from WG grants and contributions from the three partner LAs. The proposal is to review our membership of PARTNERIAETH and utilising funding to support our core team	40	40	0	80	To consider our future membership of Partneriaeth and alternatively provide all services locally or in informal arrangements with neighbouring Local Authorities. We would utilise Welsh Government grant funding to support some our team costs. The current Partneriaeth Legal Agreement could require us to cover some redundancies in the regional service if we withdraw on our own
Welsh Language Support	236	Tim Athrawon Gwella'r Gymraeg (Welsh Language Improvement Teachers) provide Welsh language immersion support for new learners to the county. We have had a large influx of non-Welsh speakers during the pandemic which adds to service pressure. The team also work with indigenous Welsh speakers who require support in polishing and refining their Welsh.	20	0	0	20	Reductions in miscellaneous costs (travel, photocopying etc), prior to looking at reduced FTE when filling vacant post which will reduce service delivery.
Youth Support Service & Participation	511	The Youth Support Service provides youth work and youth offending interventions. The proposal refers to the youth work element. Some youth support services are grant funded however most aspects are funded through core funding of 500k	51	0	0	51	Reductions in miscellaneous costs (travel, photocopying etc), prior to looking at not filling vacant posts. Unfilled posts risks service delivery to front line.
Data & Education Systems	962	The School and Education Data Team support with all aspects of Education data management and statutory submissions. It includes the collection, collation, analysis and interpretation of national and local data, information and statistics for the department influencing future trends and survey information. The Education Systems Team supports all aspects of service operation as well as having a critical role in the modernization and development of the department to implement changes within the national and regional context of the sector. Its purpose is to provide for the effective integration of professional and systems management roles and responsibilities across the department	50	0	0	50	Reductions in miscellaneous costs (travel, photocopying etc), prior to looking at not filling vacant posts. Unfilled posts risks service delivery to front line.
Childrens services	21,343	Children's Services encompasses the Social worker teams, Fostering, Adoption, Early years, Family Support Services, Specialist Care Provision, School Safeguarding & Attendance and Educational Psychology.	100	0	0	100	Utilise grant funding where opportunities arise, and review all non staffing budgets across the division.
Secondary school meals	n/a - income funded	Our Catering Service provides students with a cafeteria service in our 12 secondary schools. The food we serve is freshly prepared on-site on a daily basis, using good quality ingredients. Our menus are nutritionally analysed and represent value for money. We promote a range of meal deals and other items up to the value of £2.80, the same value as our free meal allowance.	116	0	0	116	Due to increase costs the proposal will be achieved through general efficiencies such as a review of the menu offer and labour resources required, improved pricing and removing inconsistencies across secondary school kitchens
Early Years Non-Maintained 3 year old Provision	399	payment to non maintained settings for 10 hours week education for 3 year olds	308	0	0	308	Utilise grant funding. WG currently provide grant funding for this service that funds all existing placements.

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DEPARTMENT	2023/24 Budget	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
School Admissions	23	coordinates the admissions appeals process	7	0	0	7	Member expenses budget has been underspent in recent years
Welsh Language Improvement and Bilingualism Teachers	236	This funding employs a team of teachers supporting Welsh Language development. The service is funded via grant as well as 236k core funding.	80	0	0	80	Reduction in staffing costs following retirement
Modernising Education Team	66	Dedicated team to deliver the Local Authority's Modernising Education Programme involving business case submissions, project management, capital management, school organisation and federation processes.	8	0	0	8	reduction across supplies & services budget lines
Schools Transformation & Change	100	Dedicated role to support efficiency and transformation	0	0	100	100	Review support for Transformation.
Total			905	165	155	1,225	

MANAGERIAL Total	5,896	2,778	2,154	10,828
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DEPARTMENT	2023/24 Budget	FACT FILE	2024/25 Proposed	2025/26 Proposed	2026/27 Proposed	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	

Place & Infrastructure department

Highways & Transport

Parking Services	-1,325	The County Council provides off street car parking facilities in towns and villages to support the expeditious movement of traffic to enable town centres to function. Parking supports these wider transport policy objectives and enables the authority to maintain highway and public transport services. There are 57 car parks across the county.	45	45	0	90	Introduce charging at 9 car parks that are currently free - Income estimate based on actuals in similar car parks. Lead-in time of approx. 12 months. (Llanybydder, Station car park and Seaview Terrace car park in Burry Port, Glanrafon and Station Road Kidwelly, Llanstephan & Eva Terrace Ferryside), Pottery St, Llanelli and Waunllanrafon, Llanelli
School Crossing Patrols	160	We currently have 42 School Crossing Patrol sites. School Crossing Patrol Officers are paid for the limited hours they patrol on school days. The necessity to have a School Crossing Patrol at a particular location is subject to national guidance which considers a range of criteria such as traffic flows and conditions, pedestrian use, difficulty in crossing roads, visibility and frequency of gaps in traffic. This is done to assess whether a site presents a risk to pedestrians and requires a patrol in place. Of the 42 designated sites currently patrolled, only 30 of these sites meet the threshold criteria for having a School Crossing Patrol.	8	0	0	8	Decrease number of School Crossing Patrols - CCC have currently got 42 sites with only an estimated 30 sites that meet the threshold criteria for SCP.
Total for Highways & Transport division			53	45	0	98	

Education & Children

Schools Delegated Budget

Primary School Delegated Budget	71,828	We have a statutory duty to ensure that there are sufficient primary and secondary schools in Carmarthenshire. This may involve opening new schools or adding places to existing schools where extra capacity is required. It may also mean reducing in size or closing schools with surplus accommodation. The challenge for the Council in attempting to secure value for money is to provide the right number of places in the right locations, to secure efficient and effective education for the pupils in its area. We have the second highest number of primary schools in Wales (94 Primary schools) and sustaining this number of schools provides many challenges including; recruitment and retention of staff, securing sustainable leadership, ensuring adequate funding to meet the needs of all learners and maintaining the school buildings.	0	200	550	750	We are proposing to review our primary schools' footprint, especially those unable to sustain effective staffing structures due to low pupil numbers and those that are disproportionately expensive to operate. Through carefully selected remodelling, strategically driven school federations and investment in sustainable settings the primary school estate could be reduced. The need to move to a more effective and efficient model is imperative and could improve the financial stability of the remaining schools and reduce demands on a range of County Council services e.g., Finance, HR, catering, cleaning.
Primary Schools Rising 4's Policy	71,828	The statutory requirement is to provide full time education from 5 years of age. We currently have a Rising 4's policy that allows learners full time admission to primary schools in the school term of their fourth birthday rather than the term after their fourth birthday, or the September after their fourth birthday, which is common practice across Wales.	0	120	180	300	These non-statutory aged pupils receive a full-time education in a school when funding is available to provide this provision in alternative settings. The childcare funding for Wales provided by Welsh Government provides up to 30 hours free education and childcare for children aged between 3-4 for up to 48 weeks of the year. At a time when revenue expenditure is under extreme pressure, the funding of non-statutory full-time pupils at such an early age could be re-prioritised to fund other statutory functions from the schools delegated budget. Therefore, we are proposing to remove the rising 4's policy.
Schools Delegated Budget Total			0	320	730	1,050	

Education Services

School Music Service	323	Carmarthenshire Music Service provides weekly tuition to around 5000 children and young people across Carmarthenshire. With the introduction of the new Curriculum for Wales, the music service will evolve to deliver, engage, motivate and encourage learners to develop their creative skills.	35	0	0	35	We propose to look at all options to reduce costs including staffing and not appointing to vacant positions. We will review the skill set and balance required between staffing who hold qualified teacher status, paid on school teacher's pay and conditions, and those employed on a 'tutor' basis, aiming to meet the needs of schools efficiently.
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Education Services Total			35	0	0	35	
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Education & Children total			35	320	730	1,085	
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EXISTING POLICY Total			88	365	730	1,183	
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Total

DEPARTMENT	2023/24	FACT FILE	2024/25	2025/26	2026/27	Total	EFFICIENCY DESCRIPTION
	Budget		Proposed	Proposed	Proposed	£'000	
	£'000		£'000	£'000	£'000	£'000	

Place & Infrastructure department

Highways & Transport

School Crossing Patrols	160	We currently have 42 School Crossing Patrol sites. School Crossing Patrol Officers are paid for the limited hours they patrol on school days. The necessity to have a School Crossing Patrol at a particular location is subject to national guidance which considers a range of criteria such as traffic flows and conditions, pedestrian use, difficulty in crossing roads, visibility and frequency of gaps in traffic. This is done to assess whether a site presents a risk to pedestrians and requires a patrol in place. Of the 42 designated sites currently patrolled, only 30 of these sites meet the threshold criteria for having a School Crossing Patrol.	24	24	0	48	It is proposed that 12 of the sites will no longer require a school crossing patrol if they do not meet the national criteria
School Transport - Appeals	Home to school transport - Primary & Secondary £6.634M	Applications for free school transport are determined in the first instance by the Authority against the Welsh Government set eligibility criteria. This criteria states that school transport will be provided for learners of compulsory school age attending primary school who live 2 miles or further from their nearest suitable school and provide free home to school transport for learners of compulsory school age attending secondary school who live 3 miles or further from their nearest suitable school. If the criteria are not met, then the application is refused. There is currently a two-step appeal process on that decision which is based on subjective criteria.	33	0	0	33	Ending the second stage appeals process and maintaining assessments purely in line with the Welsh Government set criteria.
School & college transport - Post 16	684	The Authority's home to school transport policy makes extra provision for free transport to be provided to learners aged 16 to 18 attending their nearest/designated school or college. Transport provision for post 16 learners is not a statutory requirement and is not provided free of charge by all Welsh councils.	0	0	250	250	Learners aged 16 to 18 attending school or college will no longer be provided with free transport, which will mean learners having to make their own arrangements, such as using public transport or private travel. The proposal is deferred to Academic year 2026-27 to allow alternative options to be considered. Further engagement will take place for those requiring this provision.
School Transport - Eligibility	Home to school transport - Primary & Secondary £6.634M	There is a statutory obligations for Local Authorities to provide free home to school transport for learners of compulsory school age attending primary school who live 2 miles or further from their nearest suitable school and provide free home to school transport for learners of compulsory school age attending secondary school who live 3 miles or further from their nearest suitable school. At present, the Authority offers a choice of transport to a learner's designated catchment schools in addition to a learner's nearest schools (according to age and language preference). This creates duplication and the requirement for additional vehicles and mileage over and above our legislative responsibility.	0	0	38	38	remove duplication by offering transport only to a learner's catchment school, whilst maintaining the choice to attend a school of their language preference. This would remove duplication in the network and will also consider the review of school catchments.
Total for Highways & Transport division			57	24	288	369	

Waste & Environmental Services

Waste - HWRCs	total Waste budget is £19.7m	Currently, there are four HWRCs situated across the county to cater for all communities. Trostre HWRC operates 7 days a week, Nantycaws and Wermddu HWRCs operates 6 days, and Whitland is open 5 days a week. The opening hours vary among the HWRCs and change between summer and winter periods.	73	0	0	73	Changing the opening hours and opening days of all HWRCs. This will mean that all sites will be reviewed and only open up to 8 hours per day per site. This review may also see the potential of reduced opening days at all sites (5 days opening being a minimum). The opening hours of each individual site will be based on usage data and further engagement with local residents and local members.
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Waste - blue bags / food liners	total Waste budget is £19.7m	We deliver three rolls of blue recycling bags and three food bin liners to every household annually. Each roll contains 52 bags which equates to 3 blue and 3 food liner bags per week. We currently distribute an additional 70,000 rolls of blue bags and 80,000 food waste liners through our outlets which costs an extra £230k to the local authority.	140	0	0	140	Blue bags or food liners will not be readily available from Hwbs and other outlets. Those who genuinely need additional bags (for example large families) can contact the authority
Public Conveniences	221	We currently have 19 local authority managed public conveniences in Carmarthenshire, 14 of which are separate public convenience buildings. There is no statutory requirement for the Council to provide and operate public toilets.	0	210	0	210	Look for opportunities to asset transfer the 14 local authority managed public conveniences to private companies or Town and Community Councils, if unsuccessful the 14 public convenience buildings facilities will be closed. This proposal excludes changing places provision. This is in addition to increasing the community toilet scheme whereby local provision of public toilets can be met by encouraging private businesses (typically food and retail outlets) to make their toilets available to members of the public.
Total Waste & Environmental Services division			213	210	0	423	

Place & Infrastructure Total	270	234	288	792
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Delegated Schools Budget	136,443	Up until last year, the Council has taken measures to safeguard the delegated school budget, however this isn't sustainable with the scale of budget reductions currently being experienced. The total education budget is £136million, so this saving proposal equates to 2.5% of the overall budget. This budget is distributed to our 95 primary, 1 special and 12 secondary schools, all operating under the fair funding formula. This budget covers all the costs associated with running a school including the employment of teachers and support staff, to provide learners with additional support, the purchase of all resources and equipment, to meet all premises costs, cleaning services, human resources, IT infrastructure, and more	2,454	1,000	0	3,454	The budget delegated to schools should see a reduction in line with all other Council services. Each Governing Body manage their own school's budget, and therefore would be responsible for trying to manage with less resource. This reduction will have an impact on what our schools will be able to provide. This level of reduction in budget is estimated to be around £120 per learner.
Total Delegated Schools budgets			2,454	1,000	0	3,454	

Education & Children

Youth Support Service	500	<p>The Youth Support Service provides four elements of youth work- Universal (e.g., Youth Clubs and Duke of Edinburgh Award); School-based youth work; 16-25 years' support and the provision of statutory youth offending interventions. Around 70% of youth support services are grant funded, however about 30% are funded through core funding.</p> <p>The service receives referrals from statutory services to undertake prevention and early intervention work with children, young people and families at a time of challenges experienced by young people's mental health and wellbeing.</p>	100	200	200	500	<p>The proposal is, over three years, to review how we deliver the youth support service that compliments the provision of statutory youth offending interventions. Removing the core funding for this service could lead to a restructure, alternative youth club provision, reduced school-based youth work, and reduce contributions to third sector organisations.</p>
Music Service	323	<p>Our Music Service provides individual, group and whole class music tuition to schools in Carmarthenshire. It is funded through core funding and funding from Service Level Agreements with schools.</p>	0	100	185	285	<p>Release core funding to become reliant on Service Level Agreement funding only. This would result in a reduced service and possible redundancies and a reduced offer to schools.</p>

Education & Children Total	100	300	385	785
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NEW POLICY Total	2,824	1,234	288	4,246
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Mae'r dudalen hon yn wag yn fwiadol

Demographic, Legislative or continuing pressures

APPENDIX B

Service	Description	£000s
Legal	Increased internal Legal Capacity to support work required for Childrens Services/Education, Subsidy Control and Regulatory Enforcement - reduces requirement for using external firms at higher cost	177
Corporate Policy	Increased internal resource to reduce requirement to use external consultancy services	54
Total for the Chief Executives Department		231
Childrens services	To meet pressures of increased demand across the service, investment in increased social work capacity, and provide recurrent budget for inhouse residential homes in line with "elimination of profit" agenda	5,500
Home Tuition	Increase demand including statementing - commitments legally required in excess of current budgets	100
Total for the Education & Childrens Department		5,600
Demographic Growth	Annual budget increase, including Older peoples / Learning Disabilities / Mental Health. NB sum provided is only 50% of calculated increase in demand	1,600
Foundation Living Wage	Calculated increase on commissioned care rates based on wage component and increase from £10.90 to £12.00/hour	3,063
Pent up demand	Previous years budget pressures have been constrained by available capacity across both inhouse as well as commissioned services. Now workforce issues are easing, services are overspending based on unavoidable demand. This provides partial mitigation only.	1,600
Energy - commissioned care	Partial reversal of energy price pressure allowed for in 2023/24 budget based on falling commodity prices	-627
Total for the Communities Department		5,636
Corporate insurance	Corporate premium has increased year on year, and can no longer be supported through increased draw on reserves	400
Procurement	New Procurement bill required Increased internal capacity to ensure compliance	65
Total for the Corporate Services Department		465
Waste strategy	Continued costs of the interim service pending full rollout of the WG blueprint kerbside sort collection	2,000
Parking - Income	Permanent reduction in car parks income as usage has not recovered to Pre-Pandemic levels	500
Home to school transport	Increased prices from suppliers following competitive tender processes	750
Procurement and Contract Mgt resourcing	Increased internal capacity in contract management to ensure contractor compliance	100
Other	To be prioritised by Director across a broad range of smaller budget pressures identified	100
Total for the Place and Infrastructure Department		3,450
TOTAL		15,382

Mae'r dudalen hon yn wag yn fwriadol

REVENUE BUDGET 2024 - 2027

CONSULTATION REPORT

FEBRUARY 2024

carmarthenshire.gov.uk

Cyngor **Sir Gâr**
Carmarthenshire
County Council



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INTRODUCTION

A mixed-methods approach to ascertaining views on the 2024-27 budget took place during the period from 22 December 2023 to 28 January 2024.

In making savings, the Council is concerned to minimise the impact upon service delivery. In meeting the challenge of bridging the budget shortfall of over £20 million, many savings are being made through internal service changes. It is however recognised that some savings proposals will potentially have an impact on service delivery. These are known as 'policy' proposals and 11 proposals are being considered by the Council in balancing its budget for 2024-27.

There are a variety of legal and policy reasons why the Council must undertake full and meaningful consultation, where service changes are under consideration.¹ Ultimately, a flawed approach can be a means whereby decisions can be challenged through the courts, through a process of Judicial Review. A decision against the Council would prevent the saving being delivered, as well as damage the reputation of Council, at a time when it needs to focus on responding to its challenging financial position.

This report:

1. Outlines the **consultation approach** and the different consultation methods deployed;
2. Describes the **demographic characteristics** of those who took part
3. Summarises the **key findings**;
4. Details the **specific consultation findings** in relation to each of the 11 proposals; and
5. Collates **minutes of meeting** in which the budget was discussed

1) OUTLINE OF APPROACH AND CONSULTATION METHODS

Whilst the settlement provided by Welsh Government was much more favourable than expected, inflation, rising costs, demographic pressures and increased statutory obligations have required the Council to make significant cost reductions, which remains challenging following the Covid-19 pandemic. In response, Council departments identified proposals for making savings and a consultation exercise was undertaken to elicit views on levels of agreement, possible impacts and ways the impacts could be minimised (mitigation).

Councillor involvement

A series of departmental seminars for all county councillors took place over a five-day period: 15 January 2024 and 19 January 2024.² Efficiencies across departments were considered in detail and feedback sought. Bullet points below provide an outlook of

¹ The 2010 Equality Act and the Council's Strategic Equality Plan require that 'due regard' be given to the views of designated groups in making decisions. In terms of consultation, a body of case law points to the need for public authorities to properly gather and consider the views of the public in reaching decisions.

² As democratically elected representatives, councillor views are of central importance. This is of course in addition to their decision making role, as Council, in deciding the budget.

their views and further suggestions on efficiencies. Councillor feedback regarding the public consultation can be found against the relevant proposals.

Alongside councillor engagement, public consultation took place in the following ways:

Survey

The survey provided financial and service information on each of the 11 policy proposals and asked respondents to express a view on the degree to which they supported the proposal.³ Views were also sought regarding the potential impact of implementing the proposal on people and communities.⁴

The survey was administered in two principal ways:

- 1) Electronically via the Council's online consultation page on the website
- 2) Hard copies were available on request in order to maximise the response rate.

A total of **4292 responses** were received from various sections of the community, including individuals, businesses, town and community councils and groups and organisations. A demographic breakdown is provided in section 2.

Insight

Teams from 9 secondary schools across Carmarthenshire have given their views on proposals in the Council's budget as part of an event designed to engage with young people. The Council's annual Insight event is open to all secondary schools in the county and gives pupils the chance to put themselves in the roles of the Council's Cabinet and discuss their opinions on the proposed budget. The aim of the event is to introduce young people to local government and give them an insight into the challenges on a day-to-day basis. It is also an opportunity for Cabinet Members to hear pupils' views and discuss with them directly about issues that matter to them.

This year, pupils from years 10-13 from Ysgol y Strade, Ysgol Gyfun Emlyn, QE High, Dyffryn Taf, Ysgol Gyfun Bro Myrddin, Glan-y-Mor, Dyffryn Aman, Ysgol Bro Dinefwr and St John Lloyds took part in the event on Thursday January 25 at County Hall in Carmarthen.

The results are outlined in Chapter 5.

Other [Email responses received]

5 emails and letters were submitted to the Council during the budget consultation period. These emails have been included in the overall analysis of the budget consultation.

Publicity

Local and regional press and local radio advertisements were used to inform the public how to become involved and obtain further information on the budget consultation. Carmarthenshire County council staff were also encouraged to take part in the Budget consultation via internal newsletter. Information was also highlighted on the council, and on the newsroom throughout the consultation. Relevant information was additionally posted on social media (X and Facebook).

³ The format of the survey was identical to the previous budget survey, to ensure comparability of results for all 11 proposals.

⁴ The responses are important in establishing the impact of Council proposals on people – a key consideration in undertaking good decision making based on evidence, and a requirement of the 2010 Equality Act.

In addition, the consultation was publicised through relevant equality groups, including Equality Carmarthenshire, Ageing Well Carmarthenshire and the Carmarthenshire Disability Coalition for Action. In addition, All Town and Community Councils were asked to take part using the online consultation.

The public consultation phase ran from 22 December 2023 to 28 January 2024. In total, 4292 responses were received, only 12 were paper based.

About Average Index Score (AIS). Sometimes known as a ‘weighted average’, the AIS is a way of distilling the ‘balance and strength of opinion’ down into one number. Useful for questions with options to ‘strongly agree’, ‘disagree’, etc., the technique is used throughout the report. Values range from 2 (*everyone* strongly agrees) to minus 2 (*everyone* strongly disagrees).

Example

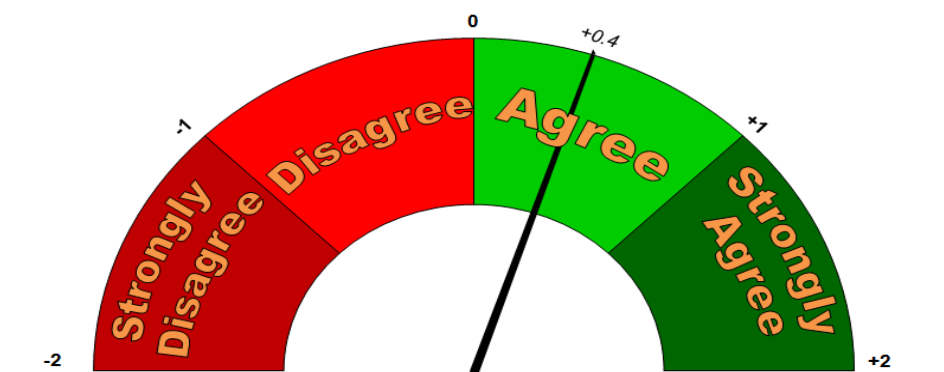
10 people are asked whether they ‘strongly agree’, ‘agree’, ‘have no opinion’, ‘disagree’ or ‘strongly disagree’ that Wales will win the six nations.

Results...

- 3 strongly agree (each response worth 2, so=**6**)
- 3 agree (each response worth 1, so=**3**)
- 1 no opinion (each response worth 0, so=**0**)
- 1 disagree (each response worth -1, so= **-1**)
- 2 strongly disagree (each response worth -2, so=**-4**)

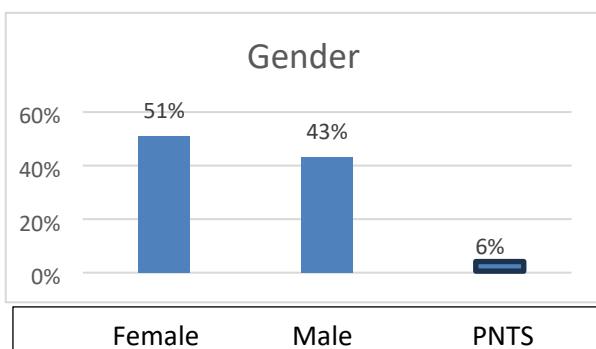
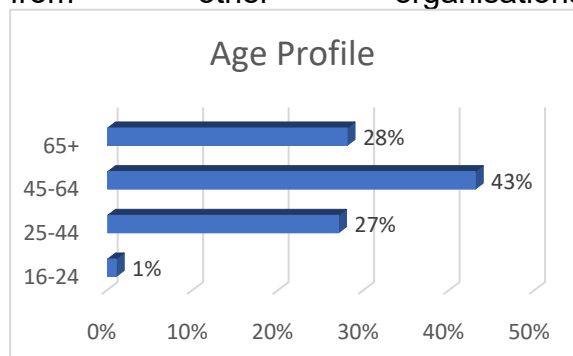
The AIS is calculated by adding all the numbers in bold: so, $6+3+0-1-4=4$;

Then dividing by the number of responses (10 in this case). The average index score is: $4\div 10=$ **0.4** (shown graphically below)



2) RESPONDENT PROFILE

Of the 4126 respondents who gave completed answers to demographic questions: 99% were from individuals, 7 Town and Community Councils, 25 businesses and 12 from other organisations.



Demographic Characteristic	Overall %
Transgender	0.6%
PNTS	6.2%
Relationship status	
Single	13.5%
Married	61.1%
Separated/Divorced	7.5%
Widowed	4.1%
Civil partnership	3.5%
PNTS	9%
Sexual orientation	
Straight	83.6%
LGB	3.1%
PNTS	12.9%
Religion	
Yes	47.2%
PNTS	9.2%
Caring responsibilities	
Yes	23.9%
PNTS	6%

Demographic Characteristic	Overall %
Ethnicity	
White	90.3%
BME	1.6%
Other	<1%
PNTS	7.4%
Disability	
Yes	19.5%
No	72.9%
PNTS	7.7%
Preferred language	
Welsh	15.5%
English	85.6%
Other	1.3%
Income	
<£15,000	8.8%
£15,000 – £29,999	24.1%
£30,000 – £44,999	18%
Over £45000	27.4%
PNTS	21.7%

A total of 3446 respondents included their post codes. These have been grouped into six community areas for analytical purposes. Appendix 1 maps out the community area boundaries and their constituent postcodes.

	Community Area 1	Community Area 2	Community Area 3	Community Area 4	Community Area 5	Community Area 6
% Responses	24.6%	15.9%	38.4%	11.7%	17%	16.5%
Number of Responses	846	547	1322	402	585	567

3) SUMMARY OF KEY FINDINGS

Headline results – all 11 proposals

The table below shows the results from the budget consultation survey. It shows details of the proposal, then gives results for the question: 'how strongly do you agree, or disagree, with this proposal'.⁵ The table is ranked in order by AIS score. Those proposals with higher levels of support, reflected in higher AIS scores, appear first.⁶

Rank	Ranking	3 Year Saving	Average Index Score	Sample
1	School Transport Eligibility Review	£38000	0.67	4047
2	HWRC	£73000	0.62	4104
3	Access to blue bags and bin liners	£140000	0.5	4090
4	End School Transport Appeals Panel	£33000	0.44	4074
5	Staffing Budget	N/A	0.37	4066
6	School crossing patrol	£48000	0.37	4094
7	Music Service	£285000	0.14	4046
8	Post 16 transport	£712000	0.05	4075
9	Public Conveniences	£210000	-0.04	4075
10	Youth Support Service	£500000	-0.05	4051
11	School Delegated Budget	£3,454,000	-0.38	4077

⁵ The survey itself gave summary information about each proposal to inform the decisions of respondents.

⁶ Values near to zero may indicate no clear consensus or may reflect apathy in relation to the proposal.

4) CONSULTATION FINDINGS – ALL PROPOSALS

Below, all 11 proposals are considered individually, in turn, in order to lay out a *comprehensive summary* of relevant consultation information.

Each summary begins by detailing relevant facts and figures, including the value of the proposal, its average index score (AIS), and its AIS rank against other proposals. It also gives an AIS for selected categories of respondent, for comparative purposes, and also to help meet our Equality Duty of demonstrating ‘due regard’ to equality. It is important to recognise that some proposals will be of specific relevance to people in certain categories. This must be taken in account in reaching decisions.

Views expressed through the public consultation have been considered together and themes identified.

The ‘other relevant information’ section includes information from *specific* sources, such as representations and organisational responses.

The views of councillors, (as expressed through budget seminars or scrutiny committees) are included under the ‘councillor engagement’ heading.

In the AIS charts that follow for each proposal, negative values are highlighted to show where results are, on balance, in opposition.

In order to strengthen the decision-making process, where a proposal has formed part of a previous budget consultation, these results are also included, for comparative purposes.

Information on all Equality impact assessments for each of the 11 proposals are available on request.

1. Staffing Budgets

Information on savings proposal:

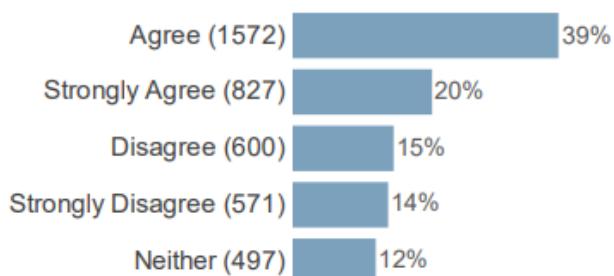
We are proposing to apply a council-wide staff vacancy factor of between 2% and 2.5% to departmental budgets. This would mean that each department would be responsible for delivering its services with between 98% and 97.5% of the current staffing budget, and would do so by holding enough jobs vacant to achieve between 2% and 2.5% savings over the course of the financial year. This would help protect the services we deliver from permanent cuts, but it would have some impact on the responsiveness of the service. Please note that this will not affect grant funded posts, which can account for 10-20% of roles, depending on specific services.

Increase in Council Tax if not adopted: 1.79%

To what extent do you agree or disagree with this proposal?

Staffing Budgets

Average Index Score: 0.37
Overall Rank (of 11): 5
Sample Size: 4066

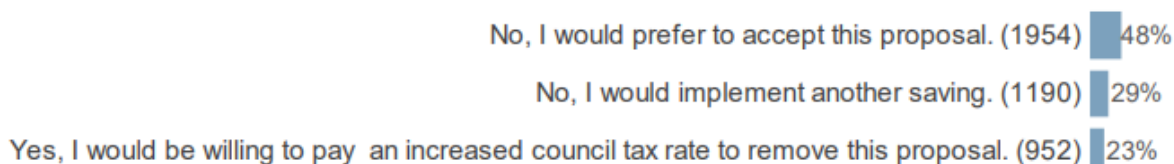


	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	-0.44	0.08	0.35	0.7	0.37	0.06	0.19	0.58	0.32	0.12
Sample	25	1064	1696	1039	38	47	1990	1690	748	26

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	0.25	0.51	0.26	0.3	0.42	0.41	0.36	0.32	0.31	0.53
Sample	921	118	65	1371	1796	1247	0.36	825	595	405

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	0.45	0.55	0.38	0.53	0.39	0.26
Sample	825	530	1291	386	570	544

Would you accept a 1.79% increase on your council tax in order to avoid this efficiency proposal?



799 comments were received on the proposal.

Impact

- Concerns about Impact on Staffing: Many express concerns about the impact on staff, including increased pressure, stress, and burnout. Some suggest that current staff should work to capacity and that working from home should not be permitted.
- Suggestions for Alternative Approaches: Several suggest alternative approaches to saving money, such as reviewing management structures, cutting top earners' wages, streamlining processes, reducing unnecessary spending (like on cycle paths), and scrutinising procurement and contracts for value.
- Criticism of Council Management and Spending: Many criticise council management, suggesting that there are too many middle managers, wasteful spending, and excessive wages for top personnel.
- Concerns about Service Quality: Several express concerns about the impact on service quality, particularly in areas like education, safety, and essential care services. Some suggest that these areas should be prioritised over cost-cutting measures.
- Lack of Transparency and Detail: Some express frustration with the lack of transparency regarding the roles and salaries of top earners and the details of proposed changes.
-

Mitigation

- Review Management Structures: Some suggest reviewing the current management structures within the council to potentially reduce the number of middle managers and streamline processes. This could potentially free up resources and reduce the need for frontline staff cuts.
- Cut Wages for Higher-Up Personnel: There are calls to reduce the wages of higher-up personnel within the council. This could help save money without directly impacting frontline services or lower-level staff.
- Streamline Processes: People have suggested streamlining administrative processes within the council to improve efficiency and reduce unnecessary spending. For example, eliminating redundant steps in invoice processing or procurement could save time and resources.
- Scrutinize Procurement and Contracts: There are calls to scrutinize procurement practices and contracts to ensure that the council is getting value for money. This could involve centralizing procurement, monitoring purchasing more closely, and seeking out cheaper alternatives where possible.

2. Household Waste Recycling Centres (HWRC)

3 Year Savings: £73,000

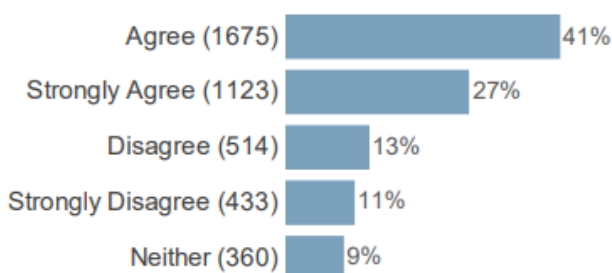
Description:

This proposal focuses on changing the opening hours and opening days of all HWRCs. This will mean that all sites will be reviewed and only open up to 8 hours per day per site. This review may also see the potential of reduced opening days at all sites (5 days opening being a minimum). The opening hours of each individual site will be based on usage data and further engagement with local residents and local members.

Increase in Council Tax if not adopted: 0.07%

How strongly do you agree, or disagree, with this proposal?

Average Index Score: 0.62
Overall Rank (of 11): 2
Sample Size: 4104



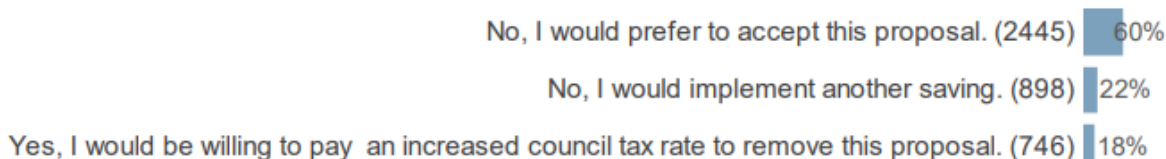
	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	0.88	0.63	0.63	0.62	0.68	0.72	0.67	0.61	0.54	0.56
Sample	26	1064	1728	1055	37	46	2010	1719	758	25

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	0.56	0.62	0.36	0.62	0.64	0.62	0.7	0.47	0.65	0.66
Sample	935	120	64	1380	1812	1270	1773	842	595	415

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	0.74	0.67	0.62	0.65	0.63	0.46
Sample	838	533	1298	390	576	559

Response to accepting a 0.07% increase in the Council Tax in order to avoid efficiency saving.

Would you accept a 0.07% increase on your council tax in order to avoid this efficiency proposal?



688 comments were received on the proposal.

Impact

- Widespread concern about the potential increase in fly tipping and subsequent environmental health ramifications, particularly in light of the three-weekly collection for black bags
- Views that the 3-year saving yielded would not justify the environmental impact of the proposal and any saving would be offset by the increased clean-up / enforcement costs of fly tipping incidents
- Reduction in core operating hours would have a disproportionate impact on users who are in full-time employment
- Geographical impact – concern that rural residents will be hit hardest by the proposal given the travelling distances
- Concern that the proposal would have staffing / resourcing implications, diminishing the service provided at each facility
- An opposing view that staffing levels at each facility could be rationalised in order to realise the saving
- Some observed that the proposal is at odds with the Council's ambitions around sustainability and circular economy. Some queried whether this would impair CCC's ability to meet its recycling targets
- Those in favour advised they would support a reduced service during the week to preserve access on weekends, therefore catering to all user groups
- Others sought further information on opening hours

Mitigation

- Ensure Centres are open on weekends to provide equitable and flexible access for those in employment
- Reintroduce online booking system to manage access
- Use of incentives to encourage recycling
- Income generation of recycled goods
- Promote alternative recycling points (e.g. in supermarket car parks)
- Volunteering

3. Access to Blue Bags and Food Bin Liners

3 Year Savings: £140,000

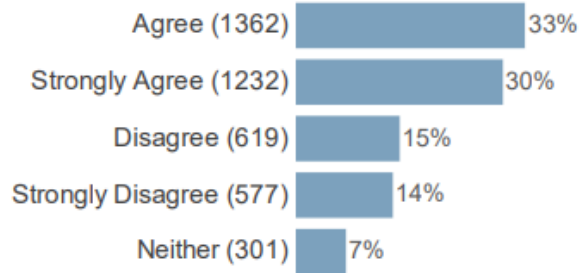
Description:

We deliver blue bags and food liners at the beginning of the year as part of our annual delivery programme. Blue bags or food liners will not be readily available from Hwbs and other outlets. Those who genuinely need additional bags (for example large families) can contact the authority.

Increase in Council Tax if not adopted: 0.13%

How strongly do you agree, or disagree, with this proposal?

Average Index Score: 0.50
Overall Rank (of 11): 3
Sample Size: 4090



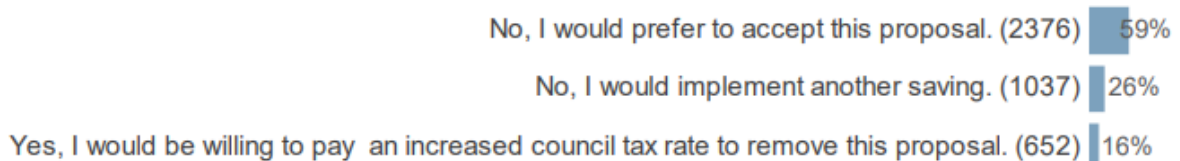
	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	0.88	0.38	0.46	0.7	0.27	0.4	0.48	0.55	0.36	0.35
Sample	25	1064	1721	1050	37	47	2004	1711	757	26

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	0.42	0.48	0.86	0.51	0.57	0.56	0.55	0.37	0.59	0.45
Sample	933	119	66	1372	1809	1265	1774	830	589	411

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	0.64	0.8	0.5	0.53	0.48	0.34
Sample	831	535	1293	391	572	555

Response to accepting a 0.13% increase in the Council Tax in order to avoid efficiency saving.

Would you accept a 0.13% increase on your council tax in order to avoid this efficiency proposal?



Access to Blue Bags and Food Bin Liners

835 comments were received on the proposal.

Impact

- Majority view that this will have a detrimental impact on Carmarthenshire's recycling targets and encourage fly tipping
- May lead to increase in black bag waste
- Larger households are reliant on supply of additional bags
- Those purchasing or renting a new property may not have access to bags
- Agreement on the basis that the annual distribution of three rolls is reasonable for the majority of households
- View that the Council's ability to 'bulk buy' blue and food liner bags is more cost effective and the cost should not be borne by residents
- Some respondents in favour of the proposal as surplus bags are misused for other purposes
- Unclear what the alternative would be and how the bags would be delivered/collected
- Comments on the variable quality of the blue and food bin bags. Also, many reported non-delivery of bags - increasing reliance on alternative provision

Mitigation

- Number of bags should be allocated in accordance with household size
- Distribution via appropriate Town/Community Council facilities and HWRCs
- Introduce a small charge for bags collected from Hwbs
- Encourage households to bring in any surplus bags to the Hwbs
- Online form to request additional blue and food bin bags
- Option to 'opt out' of food bin liner bags online to reduce the total number of bags the Council procures
- Remove requirement for blue 'Carmarthenshire' bags in favour of generic/clear bags

4. School Crossing Patrols

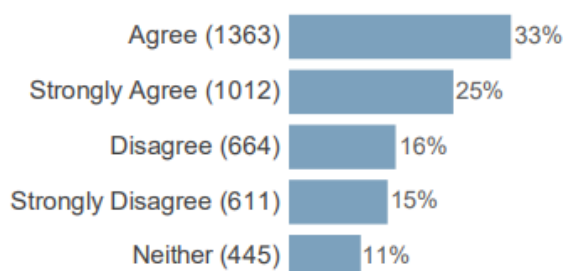
3 Year Savings: £90,000

Description: We currently have 42 School Crossing Patrol sites. School Crossing Patrol Officers are paid for the limited hours they patrol on school days. The necessity to have a School Crossing Patrol at a particular location is subject to national guidance which considers a range of criteria such as traffic flows and conditions, pedestrian use, difficulty in crossing roads, visibility and frequency of gaps in traffic. This is done to assess whether a site presents a risk to pedestrians and requires a patrol in place. Of the 42 designated sites currently patrolled, only 30 of these sites meet the threshold criteria for having a School Crossing Patrol. It is proposed that 12 of the sites will no longer require a school crossing patrol if they do not meet the national criteria.

Increase in Council Tax if not adopted: 0.04%

Average Index Score: 0.37
Overall Rank (of 11): 6
Sample Size: 4094

How strongly do you agree, or disagree, with this proposal?



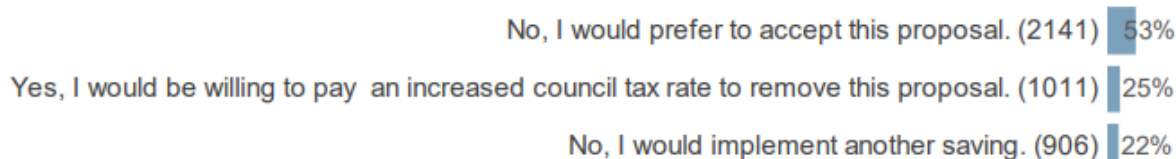
	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	0.12	0.25	0.44	0.39	0.3	0.09	0.3	0.46	0.29	0.38
Sample	26	1067	1724	1047	37	47	2019	1702	758	26

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	0.33	0.39	0.47	0.37	0.4	0.33	0.42	0.34	0.42	0.48
Sample	931	120	66	1383	1804	1267	1772	834	592	412

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	0.38	0.5	0.35	0.48	0.3	0.35
Sample	834	534	1298	389	572	557

Response to accepting a 0.04% increase in the Council Tax in order to avoid efficiency saving.

Would you accept a 0.04% increase on your council tax in order to avoid this efficiency proposal?



623 comments were received on the proposal.
 Impact

- A wide-ranging concern that the proposal presents a risk to pupil safety
- Three-year saving is negligible in comparison to potential impact
- Importance of encouraging pupils/families to walk to school was emphasised – improved physical and mental wellbeing
- Comments on the affordability of school crossing patrols in view of the national cost of the 20mph scheme
- Observations that some sites have both a School Crossing Patrol Officer and Pelican/Zebra crossing
- Staffing implications were raised by many respondents
- Alternate views that the introduction of 20mph speed limits in built up areas should improve road safety, negating the requirement for School Crossing Patrol Officers

Mitigation

- It was suggested that schools should assume responsibility if they do not meet the national criteria
- Introduce Pelican crossings
- Use of other speed restriction measures – e.g. speed humps, cameras, traffic islands
- Consider a ‘variable’ service in which patrols are maintained during the winter months when the risk is higher (i.e. adverse weather, darker mornings, poorer visibility) but scaled back or ceased at other times
- Volunteering

5. End School Transport Appeals Panel

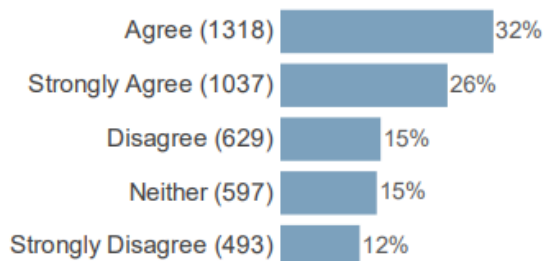
3 Year Savings: £33,000

Description: This savings proposal is based on ending the second stage appeals process and maintaining assessments purely in line with the Welsh Government set criteria.

Increase in Council Tax if not adopted: 0.03%

How strongly do you agree, or disagree, with this proposal?

Average Index Score: 0.44
Overall Rank (of 11): 4
Sample Size: 4074



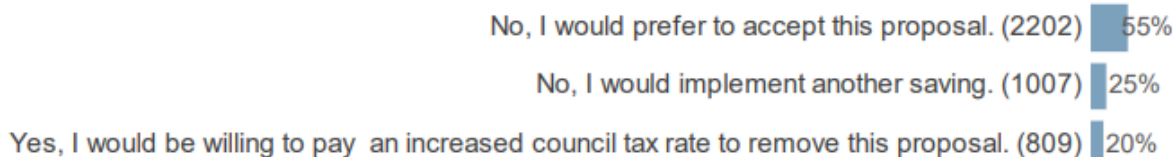
	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	0.27	0.54	0.45	0.14	0.6	0.36	0.55	0.31	-0.08	0.33
Sample	1062	1718	1040	37	47	2004	1700	753	26	930

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	0.33	0.65	0.65	0.4	0.51	0.43	0.46	836	0.53	0.54
Sample	930	119	65	1374	1796	1262	1759	836	588	411

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	0.4	0.48	0.46	0.46	0.45	0.48
Sample	824	530	1292	390	572	556

Response to accepting a 0.03% increase in the Council Tax in order to avoid efficiency saving.

Would you accept a 0.03% increase on your council tax in order to avoid this efficiency proposal?



490 comments were received on the proposal.

Impact

- Those against the proposal emphasised the significance of maintaining a robust two-stage appeals process that provides fairness to all applicants and preserves the right to challenge
- Views that a blanket approach may not work in all cases and the Council should continue to use its discretion if national criteria are not met
- Some queried whether this saving would give rise to judicial reviews
- Potential social impacts were highlighted by several respondents
- Many observed that the alternative of public transport would not be a viable option at a time when bus services are being reduced
- Increased risk of truancy
- It was argued that the cost-effectiveness of the proposal should be based on the success rate of the appeals process as this would evidence whether the criteria are being applied correctly and diligently during the initial assessment. If a high number of appeals succeed, this strengthens the case to maintain the Appeals Panel
- General comments in favour of school transport for all pupils to reduce private car usage and pollution and create a safer environment around schools

Mitigation

- Introduce a nominal charge for non-eligible parents as a means of subsidising the school transport service

6. Post-16 School Transport

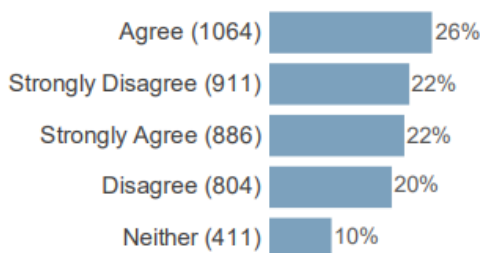
3 Year Savings: £712,000

Description: Learners aged 16 to 18 attending school or college will no longer be provided with free transport, which will mean learners having to make their own arrangements, such as using public transport or private travel. The proposal will be implemented in the academic year 25/26. Further engagement will take place for those requiring this provision.

Increase in Council Tax if not adopted: 0.64%

How strongly do you agree, or disagree, with this proposal?

Average Index Score: 0.05
Rank (of 11): 8
Sample Size: 4075



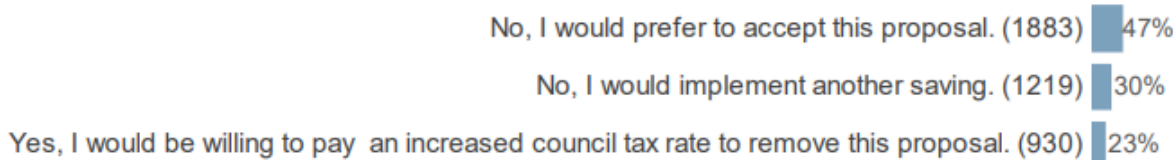
	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	-0.38	-0.3	0.11	0.3	-0.25	-0.62	-0.14	0.26	0.1	-0.12
Sample	26	1062	1710	1046	36	47	1996	1707	756	25

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	-0.01	0.18	0.05	0.09	0.13	0.19	-0.07	0.1	-0.15	0.29
Sample	938	119	65	1373	1793	1261	1765	832	590	414

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	-0.02	0.01	0.1	0.02	0.1	0.15
Sample	825	533	1292	389	569	556

Response to accepting a 0.64% increase in the Council Tax in order to avoid efficiency saving.

Would you accept a 0.64% increase on your council tax in order to avoid this efficiency proposal?



692 comments were received on the proposal.

Impact

- A widely held view that this will create a barrier to accessing further education, particularly for low-income households
- Impact will be more pronounced in rural areas where students must travel longer distances, journey costs are higher and public transport services are infrequent / unreliable
- Some highlighted the potential longer-term impacts on Carmarthenshire's economy – lower skilled workforce, increase in NEETs (young people Not in Education, Employment or Training) and migration
- The environmental impacts of increased car usage were emphasised
- Comments in favour noted the proposal would bring Carmarthenshire in line with other Welsh counties

Mitigation

- Introduce a nominal charge to maintain the service
- Means-testing to preserve access for disadvantaged households
- Introduce eligibility criteria based on proximity to school/college
- Annual passes
- Prioritise college transport over school transport
- Suggestions that colleges should bear some/all of the costs of providing the service

7. School Transport Eligibility Review

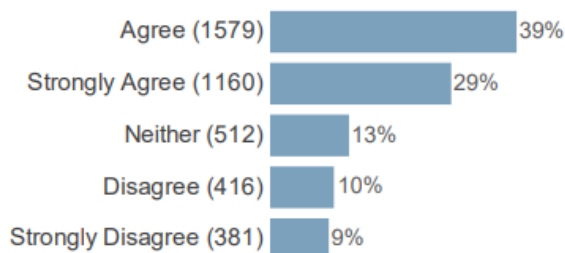
3 Year Savings: £38,000

Description: The proposal seeks to remove duplication by offering transport only to a learner's catchment school, whilst maintaining the choice to attend a school of their language preference. This would remove duplication in the network and will also consider the review of school catchments.

Increase in Council Tax if not adopted: 0.03%

How strongly do you agree, or disagree, with this proposal?

Average Index Score: 0.67
Overall Rank (of 11): 1
Sample Size: 4047



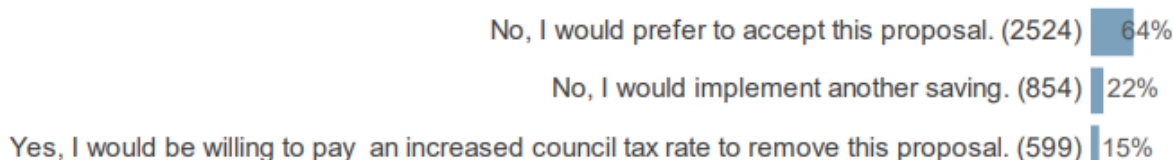
	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	0.52	0.4	0.78	0.79	0.47	0.33	0.6	0.78	0.54	0.19
Sample	25	1053	1693	1047	36	46	1980	1701	745	26

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	0.61	0.75	0.75	0.62	0.76	0.7	0.67	0.63	0.67	0.83
Sample	928	118	63	1361	1783	1253	1750	833	586	409

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	0.7	0.72	0.68	0.68	0.67	0.71
Sample	834	530	1279	385	568	548

Response to accepting a 0.03% increase in the Council Tax in order to avoid efficiency saving.

Would you accept a 0.03% increase on your council tax in order to avoid this efficiency proposal?



360 comments received:

Impact

- **Reduced Choice:** Students may be limited to attending only their nearest school, removing their ability to choose based on factors such as language, quality of education, or personal preference.
- **Increased Strain on Families:** Families, particularly those with working parents, may face challenges in arranging transportation for their children, leading to increased stress and potential logistical difficulties.
- **Disproportionate Effect on the Least Well-off:** The proposal may disproportionately affect low-income families who rely on school transport services, potentially exacerbating inequalities in access to education.
- **Impact on Over-subscribed Schools:** Schools in catchment areas may become over-subscribed, leading to larger class sizes and potential strain on resources.
- **Restrictions on After-school Activities:** Longer travel times to and from school may limit students' ability to participate in after-school activities or family involvement in school events.
- **Discrimination Against Certain Groups:** The proposal may discriminate against students seeking education in faith-based schools or attending schools outside their catchment area, impacting their access to preferred educational environments.

Mitigation

- **Increased Flexibility:** Introducing more flexibility in the system to accommodate students living in rural areas or those with specific needs, ensuring they're not unduly disadvantaged by the catchment area restrictions.
- **Retaining Language Choice:** Ensuring that language choice in education is preserved, potentially by providing additional transport options for students attending schools outside their catchment area for language reasons.
- **Financial Support for Families:** Providing financial assistance or subsidies for families who may struggle to afford alternative transportation arrangements, thereby lessening the burden on low-income households.
- **Improved Resource Management:** Implementing better resource management practices, such as using technology to optimize bus routes and avoid duplication, thereby reducing costs without restricting transportation options for students.
- **Community Engagement:** Involving the community in decision-making processes to ensure that any changes to school transport provision are well-understood and that concerns are addressed effectively.

8. Public Conveniences

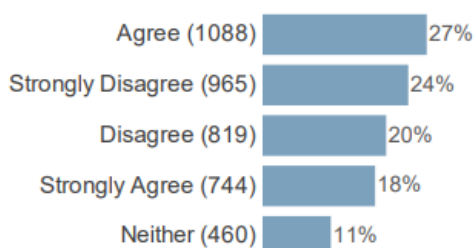
3-Year Saving: £210,000

Description: Look for opportunities to asset transfer the 14 local authority managed public conveniences to private companies or Town and Community Councils, if unsuccessful the 14 public convenience buildings facilities will be closed. This proposal excludes changing places provision. This is in addition to increasing the community toilet scheme whereby local provision of public toilets can be met by encouraging private businesses (typically food and retail outlets) to make their toilets available to members of the public.

Increase in Council Tax if not adopted: 0.19%

How strongly do you agree, or disagree, with this proposal?

Average Index Score: -0.04
Overall Rank (of 11): 9
Sample Size: 4075



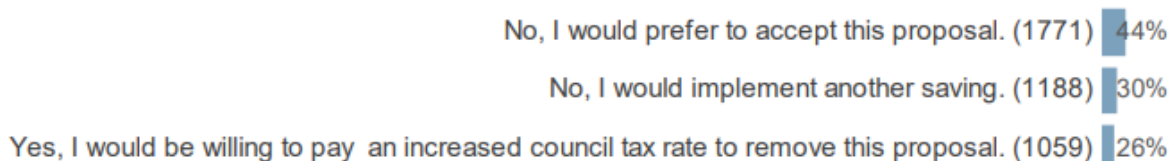
	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	0.31	0.09	0.03	-0.28	0.24	0.36	-0.01	-0.05	-0.24	-0.4
Sample	26	1056	1712	1057	37	47	2002	1705	753	25

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	-0.05	-0.19	0.03	-0.09	0.01	-0.11	0.1	-0.26	0.11	0
Sample	933	118	64	1379	1797	1267	1756	839	589	412

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	-0.16	-0.13	0.04	-0.17	0.13	-0.02
Sample	832	536	1288	389	568	554

Response to accepting a 0.19% increase in the Council Tax in order to avoid efficiency saving.

Would you accept a 0.19% increase on your council tax in order to avoid this efficiency proposal? (Would you accept a 0.19% increase on your council t...)



839 comments related to the public conveniences proposal

Impact

- **Accessibility for Disabled and Elderly:** There is a consensus that disabled and elderly individuals require speedy access to toilets. Suggestions include ensuring that toilets are easily accessible and adequately equipped to meet their needs.
- **Importance of Public Toilets:** Many people emphasise the importance of public toilets as a basic human right and essential for maintaining hygiene. The closure of public toilets is viewed as detrimental, particularly for vulnerable groups such as the elderly, children, and those with medical conditions.
- **Tourism and Economic Impact:** Several individuals highlight the importance of public toilets for tourism and local businesses. Lack of adequate toilet facilities could deter visitors and have economic consequences for the region.
- **Hygiene and Maintenance:** Concerns are raised about the cleanliness and maintenance of existing public toilets. Improving the quality of facilities is seen as important to encourage usage.
- **Consideration for Vulnerable Groups:** The needs of vulnerable groups, such as those with bowel and bladder issues, are emphasised. Any decisions regarding public toilets should take into account the impact on these individuals.

Mitigation

- **Community Engagement:** There is a call for greater community involvement and consultation in decision-making processes related to public toilets.
- **Alternative Solutions:** Suggestions for addressing the issue include asset transfer to community groups, contracting services, or encouraging businesses to make their facilities available to the public.
- **Cost and Charging:** There are mixed opinions on charging for the use of public toilets. Some suggest modest charges to cover maintenance costs, while others argue that toilets should be freely accessible.

9. Schools' Delegated Budgets

3-Year Saving: £3,454,000

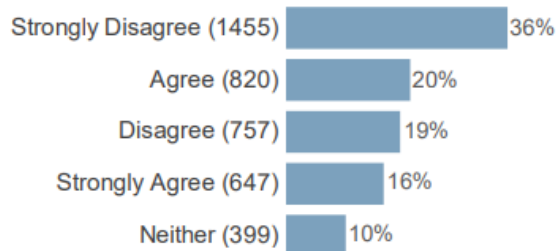
Description:

We propose that the budget delegated to schools should see a reduction in line with all other Council services. Each Governing Body manage their own school's budget, and therefore would be responsible for trying to manage with less resource. This reduction will have an impact on what our schools will be able to provide. This level of reduction in budget is estimated to be around £120 per learner.

Increase in Council Tax if not adopted: 3.08%

How strongly do you agree, or disagree, with this proposal?

Average Index Score: -0.38
Overall Rank (of 11): 11
Sample Size: 4077



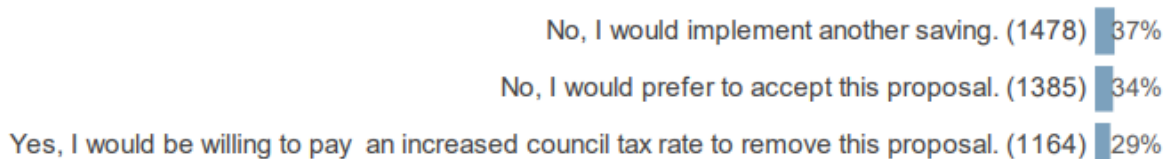
	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	-0.68	-0.91	-0.33	0	-0.81	-0.79	-0.67	-0.11	-0.23	-0.46
Sample	25	1062	1715	1051	37	47	2000	1711	755	26

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	-0.45	-0.14	-0.68	-0.29	-0.34	-0.24	-0.57	-0.26	-0.53	-0.19
Sample	933	120	65	1380	1797	1268	1761	836	590	413

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	-0.44	-0.23	-0.37	-0.31	-0.46	-0.45
Sample	830	535	1291	393	571	553

Response to accepting a 3.08% increase in the Council Tax in order to avoid efficiency saving.

Would you accept a 3.08% increase on your council tax in order to avoid this efficiency proposal?



Impact

- A majority view that education should be a 'protected service'
- Emphasis was given to the impact on pupils' social and mental wellbeing, educational attainment and longer-term career opportunities
- Widespread concern that the proposal will further compound the effects of Covid on pupils' learning and development, with reference made to challenges around social integration, speech and language and pupil behaviour
- Concern in relation to larger classroom sizes and fewer teachers / teaching assistants, placing additional pressures on schools
- Proposal will undermine the deliverability of the new Curriculum for Wales
- Fear that teachers may leave the profession
- Risk of schools being placed in Special Measures
- Disinvestment in education is penny wise and pound foolish, inhibiting long-term economic growth and prosperity
- Possible impacts on the use and development of the Welsh language were highlighted – implementation of Welsh in Education Strategic Plans (WESPs)
- Some agreement that the delegated schools budget should be reviewed but not to the detriment of smaller, local schools
- An alternative view that the delegated schools budget could be expended more efficiently
- Specific mention was made of Ysgol Heol Goffa and SEN provision

Mitigation

- Review funding to support/ancillary functions such as Challenge Advisors
- Seek additional funding at a national level

10. Youth Support Service

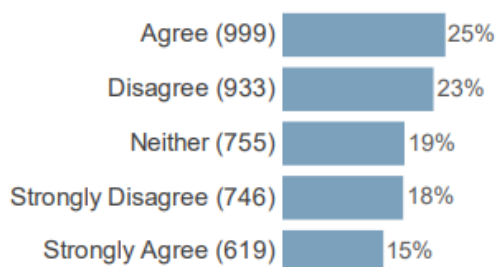
3-Year Saving: £500000

Description: The proposal is, over three years, to review how we deliver the youth support service that compliments the provision of statutory youth offending interventions. Removing the core funding for this service could lead to a restructure, alternative youth club provision, reduced school-based youth work, and reduce contributions to third sector organisations.

Increase in Council Tax if not adopted: 0.45%

How strongly do you agree, or disagree, with this proposal?

Average Index Score: -0.05
Overall Rank (of 11): 10
Sample Size: 4051



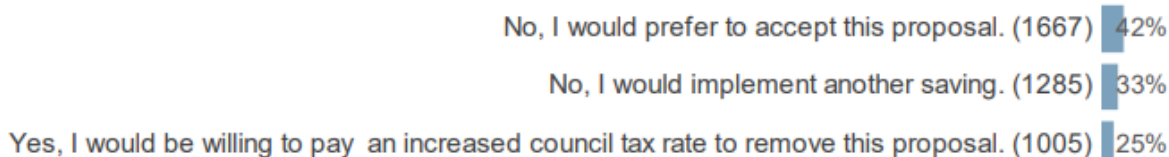
	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	-0.08	-0.19	-0.05	0.06	-0.08	-0.04	-0.24	0.16	-0.01	-0.12
Sample	25	1054	1697	1053	37	47	1987	1699	749	26

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	-0.11	0.15	-0.27	-0.08	0.01	0.05	-0.13	-0.13	-0.08	0.15
Sample	935	119	64	1376	1780	1251	1758	834	585	411

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	-0.11	-0.02	0.03	-0.09	0.02	-0.06
Sample	824	537	1290	390	571	551

Response to accepting a 0.45% increase in the Council Tax in order to avoid efficiency saving.

Would you accept a 0.45% increase on your council tax in order to avoid this efficiency proposal?



Impact

- Youth services provide social, health and cultural benefits
- Widespread view that school youth workers are a valuable asset to children and young people
- Youth clubs have an important 'community' role and provide a creative outlet and safe/trusted space for young people
- Reference was made to the growing numbers of younger people with poor mental health/wellbeing
- Youth services should be preserved against a backdrop of child poverty and increasing socio-economic inequity
- Reduced provision will increase pressure and costs on other services including social care, safeguarding and policing
- A view that the loss of youth support services will be irreversible even if the economic position within the public sector improves

Mitigation

- Explore opportunities for CCC Leisure to support youth services
- Use of volunteers to sustain the service

11. Music Service

3-Year Saving: £285,000

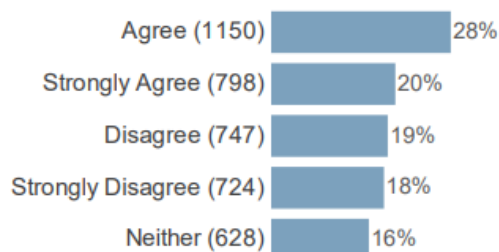
Description:

The proposal is, over three years, to remove the core funding for this service, so that it would be reliant upon Service Level Agreements with schools and any available grants. Pupils who are currently eligible for Free School Meals are supported by the Pupil Development Grant through their specific schools. This funding can support school priorities which may include music provision. The Music Service aims to continue supporting schools even though there will be a narrower offer. The service will continue to share their musical skills and talents, however there could be less of a choice for our learners and reduced support for schools.

Increase in Council Tax if not adopted: 0.25%

How strongly do you agree, or disagree, with this proposal?

Average Index Score: 0.14
Overall Rank (of 11): 7
Sample Size: 4046



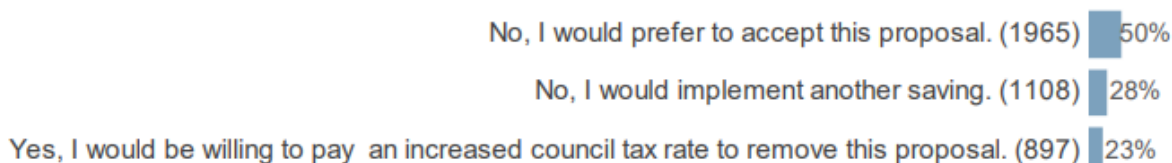
	16-24	25-44	45-64	65+	Pregnant	Mat/Pat	Female	Male	Disabled	Gender Reas.
AIS	0.08	0.02	0.2	0.14	0.13	-0.33	-0.02	0.3	0.13	0.19
Sample	26	1046	1695	1056	38	46	1976	1703	748	26

	Carers	LGBTQ+	BME	Single	Religion	less £20k	£20-39k	£40k+	Welsh Language	Armed forces
AIS	0.07	0.12	0	0.13	0.14	0.19	0.1	0.13	-0.01	0.33
Sample	919	117	64	1369	1789	1255	1745	835	585	413

	CA1	CA2	CA3	CA4	CA5	CA6
AIS	0	0.07	0.2	0.15	0.23	0
Sample	822	532	1281	393	568	822

Response to accepting a 0.25% increase in the Council Tax in order to avoid efficiency saving.

Would you accept a 0.25% increase on your council tax in order to avoid this efficiency proposal?



Impact

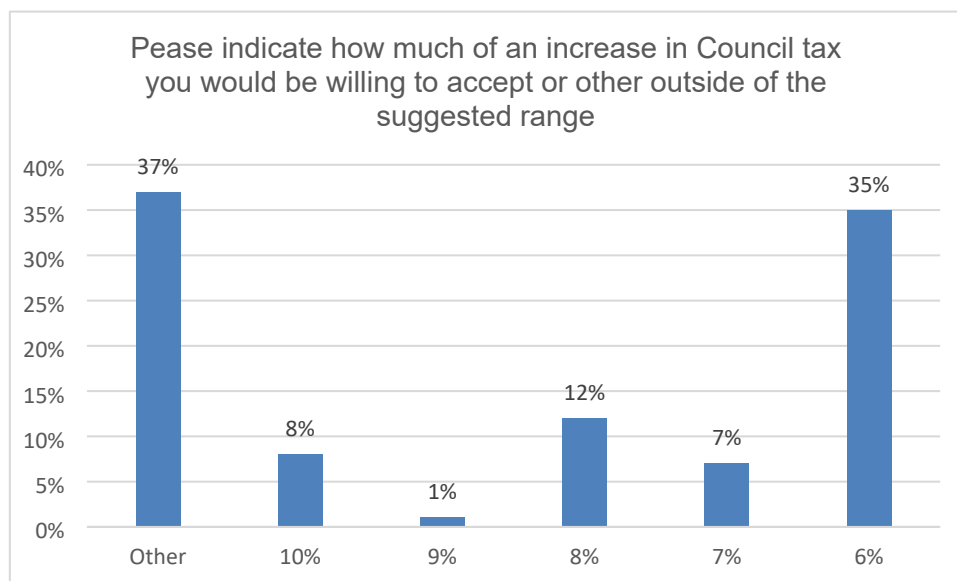
- A broad view that music fosters a more inclusive and diverse curriculum, broadening pupils' interests and transferrable skills outside of conventional academic subjects
- Support expressed for Carmarthenshire's Music Service with some respondents recalling how it has helped further their academic interests at further/high education level, launched careers in music and given rise to national performances (e.g. Eisteddfod)
- Several comments from young people against the proposal noting the confidence building, teamwork and escapism that the music service provides
- Concern that the proposal will limit the exposure of music education to young children
- Provides access to activities and experiences that many children cannot obtain at home
- Further efficiencies will jeopardise the viability and quality of the music service
- The proposal runs counter to the emphasis given to 'Expressive Arts' within the new Curriculum for Wales
- The need to support music because of its cultural significance to Wales was noted
- Concern that schools will be required to fund any deficit in provision
- Unfair on parents who already pay a contribution towards the music service
- Those in favour suggested music is not a core component of the curriculum and noted the wider savings required across education. Reasonable to ask parents to contribute to the cost of lessons
- A view that the remuneration of teachers should reflect the different roles and responsibilities of classroom and peripatetic music teachers/staff

Mitigation

- Suggestions that parents should bear more of the cost as it is a 'desirable' service, with means-tested subsidies offered to those on low incomes to ensure the charge isn't prohibitive
- Offer music tuition in after school clubs
- Learning via YouTube, social media and private tutors

Council Tax

Respondents were asked to indicate how much of an increase in Council Tax they would be willing to accept. Results are presented in the bar graph below.



Sample: 4051

<i>Of those 1,483 respondents that specified 'other'...</i>		
Range	#	%
0%	563	38.0
0.1% - 1.99%	150	10.1
2% - 3.99%	401	27.0
4% - 5.99%	272	18.3
6% - 7.99%	5	0.3
11% - 12.99%	1	0.1
13% - 14.99%	1	0.1
15%+	8	0.5
In line with Inflation	4	0.3
Reduce CT	7	0.5
N/A	10	0.7
No figure given	61	4.1

Teams from 9 secondary schools across Carmarthenshire have given their views on proposals in the Council's budget as part of an event designed to engage with young people. The Council's annual Insight event is open to all secondary schools in the county and gives pupils the chance to put themselves in the roles of the Council's Cabinet and discuss their opinions on the proposed budget. This year, pupils from years 10-13 from Ysgol y Strade, Ysgol Gyfun Emlyn, QE High, Dyffryn Taf, Ysgol Gyfun Bro Myrddin, Bryngwyn, Glan-y-Mor, Dyffryn Aman, Ysgol Bro Dinefwr took part in the event on Thursday January 25 at County Hall in Carmarthen.

The aim of the event is to introduce young people to local government and give them an insight into the challenges on a day-to-day basis. It is also an opportunity for Cabinet Members to hear pupils' views and discuss with them directly about issues that matter to them. Each school group selected a Leader and Deputy Leader which presented the teams recommendations to Cabinet members and senior staff. A summary of the key points raised are presented below.

Public conveniences – Pupils noted that public conveniences in high tourist areas should remain open and a 40p charge should be introduced to use the facilities. Maintenance of public conveniences should be undertaken as unpaid community service under supervision. Special consideration should be given for areas which do not have alternative provision.

Post-16 transport – Pupils suggested that this would be a barrier to education. They also noted that alternative provision should be provided such as safer walking routes. Pupils also noted that there should be a 'use it or lose it' strategy whereby pupils will need to continue to use the transport or they will no longer be eligible to use.

Household Waste Recycling Centres – Pupils were in favour of this proposal as this alternative means that there may not be a need to close a HWRC. Pupils noted that changing the opening days and times won't impact the recycling targets however this needs to be done using data. Pupils had some reservations regarding employees potentially losing work and the potential risk on increased fly tipping.

School's Delegated Budget - Overall, pupils agreed that savings can be made to school budgets. However, further analysis should be carried out to best suit each individual school. Pupils also noted the potential impact of this proposal such as reducing opportunities for young people and a failure to invest in schools could have a bigger future impact. Additionally, one school indicated that this cut should not be made and that schools should be given a year as an opportunity to show savings.

Music Service - Cutting music department funding risks reducing student engagement and impacting mental health. Music serves as a vital outlet for expression, particularly for those facing academic challenges. The current cost of living crisis makes out-of-school music lessons financially hard for many families. In-school music education, costing £30, is more accessible. Removing this option would add to families' financial burdens, including transportation costs and potential lost wages. Such cuts overlook the broader impact on student well-being and academic engagement.

End School Transport Appeals Panel – Pupils agreed with this proposal as it would reduce the resource needed for appeals. Pupils noted that this can reduce the stress on families reducing it to a cleaner process.

Access to blue bags and bin liners – Overall pupils agreed that sufficient bags are given in the annual roll out. In addition, a number of suggestions were made such as;

Monthly black bag collections, increase size of bags, staggering opening times of HWRCs, introduce charge for additional bin liners and increase in home sort of materials.

Staffing Budgets – Overall, pupils agreed in principle with this saving they noted that it may benefit departments by working more efficiently. Pupils also noted disadvantages of this proposal such as; increased work pressure on members of staff and standard of work reduced.

6) NOTES FROM BUDGET CONSULTATION MEETINGS

Schools Strategy Budget Forum – 23rd January 2024

RH provided a presentation to School Budget Forum members discussing the schools position in an attempt to understand the corporate position.

Provisional settlement from WG – It was expected there would be an average increase of 3.1%, however, CCC received an increase of 3.3% on the 2023-24 settlement. This has resulted in £11m of additional funding from budget reductions (where schools are a part). Following actions such as £2m vacancy factor (not in schools) being implemented there will be a total shortfall for 24/25 of £0.8m. RH raised concerns that there is currently a draft budget which is not balanced, this is an unusual situation meaning we must find more savings.

Specific grant – RH presented a slide demonstrating the value of current grants, however as other costs have increased schools will be at a disadvantage, 20% reduction in real terms. GJ stated this is an additional cut to the budget with further implications on what we have to offer pupils.

Current Validation Assumptions – Inflation is expected to be 4% next year which will impact schools from SLAs perspective.

Teachers Pay – The pay award is estimated at 4%. WG have assumed the level of teacher pay awards for September 2024 but not shared final information resulting in CCC estimating 4% based on other LAs. WG states LAs must allow for teachers pay in budgets. GM informed a motion will be raised at County Council tomorrow challenging WG on this year/last year's settlements where we are £3m short after honouring teachers' pay awards. RH stated he presented this at an ERF meeting, where unions agreed that WG needed to honour this funding gap.

PE questioned if officers are confident LAs will be able to meet the demand of unavoidable pressures? GM stated we've been in a good position for many years with managing learners and are developing local children's homes to support those in need, but this will take time. There is capital funding to support work being carried out but no revenue funding. PE stated he is cautious as there is a higher level of need with pupils while schools are facing cuts. RH added some of the money received is going to existing provisions for families with disabled children, foster care and growing the social worker capacity.

Pay assumptions - 5% was assumed for September 2023 which was not enough, and the LA needs to find the shortfall to correct for next year's budget resulting in the £3m shortfall next year with the value to be found before this year.

Energy - 1/3 of the energy needed for the financial year 25/26 has been purchased and costs are continuing to come down, helping to bridge part of the budget gap.

Teachers' pensions - There has been an increase of 5% next year which was referenced in the Ministers letter. This is expected to be fully funded.

GJ referenced the slide stating "Current year £8.8million draw on reserves is unsustainable" asking if it was after the suggested savings mentioned previously. SN

confirmed this was a current year figure, based on the October returns. GM added if the proposal to reduce schools budget goes through, we may see an additional 20 schools go into deficit.

Vacancy Factor - A proposed £2m will be applied to Council services, excluding schools. RH stated each department is responsible the vacancy factor to deliver an additional in year saving relative to staffing budget. This is done either through natural staff turnover or through deliberately holding vacancies unfilled. GM stated there is a £343,000 additional reduction in the budget on top other savings within the department.

RH stated all figures mentioned have related to year one and there are no public figures for year 2 and year 3 to date. Following work carried out by Cardiff University forecasts for 2025/26 and 2026/27 were presented, providing modelled figures but these are the best we have at present to inform future considerations as the scale of issue not going away.

Scale of cuts in future years were highlighted noting the department have a large shortfall for years 2 and 3, and the scale of uncertainty on pay awards was highlighted and a balanced budget at present cannot be presented.

Key risks – It is unclear what the pay awards will be for 2024, use of reserves in schools which has been significant this year and won't be possible for many next year, Children's Services pressures, pensions and the 800k shortfall position.

The consultation period is still open with approx. 3,000 responses to date. RH will be attending the Education Employee Relations Forum next week and a final budget will be in front of Carmarthenshire Council on 28th February 2024.

PE informed of an article in Wales Online, discussing Council debts. Members were informed by GM and SN that the article focuses on borrowing, ignoring the different forms of funding within LAs. RH provided context on Carmarthenshire borrowing position stating, as of March 2023 there is \$411m of outstanding borrowing ranging from £20m borrowed last year at low rates through to loans taken out in 1970s.

Members thanked shared with RH for presenting the budget information clearly.

PJ raised concerns about costs and additional vulnerability with a need to find more internal solutions as opposed to "going to market" as this is the more cost efficient. TS informed discussions have started in CASH about making efficiencies around sharing staff knowledge and services.

GM gave a presentation on departmental budgets stating we are fully funding teachers' pay for next year and growth funding bids were made on behalf of schools, but these were not successful. Members were reminded the department (including schools) needs to find almost £4.8m in savings. Policy proposals are being consulted on and managerial proposals can be handled internally. All will have an impact on children and education.

GM continued explaining £3.454m equates to an estimated £120 per pupil reduction although this may be higher. Youth support and music services are not statutory services, but it may be argued they have benefits to pupils. These services are co funded (council funding and grant funded).

Proposed policy cuts came to £335k leaving over £1m on managerial savings to be made. This includes a review of the middle tier, moving from multiple grants to one grant with four pillars. SN clarified grants moving forward will include equity, welsh language, reform as school standards. WG have stated the funding pot is the same and there will be a national formula with terms and conditions being developed with the aim for less bureaucracy and grants. If there are no regional grants, the money comes direct to LA putting pressure on our teams. GM informed the Early Years

Education component is covered by a grant which has allowed this funding to cover gaps and overspends in previous years.

Relating to savings within catering, work is to be carried out around secondary schools catering costs and offer. PE stated changes to the breakfast provision has been raised before and it cannot be managed by HTs when there isn't the capacity and staffing. SD explained how this proposal has multiple options including charges to parents and catering providing the food with schools providing the care. PE raised concerns that schools are taking more work on with less support. SD informed pupils are entitled to the free breakfast and many parents have become reliant on the service that. GJ understands this is a core offer, but schools can't be all things to all people, requesting further guidance from LAs on what they should offer. GJ raised the section 52 document previously reviewed drawing attention to items he feels are not fit for purpose such as ALN funding and how it is shared with schools. He would like to see more of understanding how we have arrived at the figures presented within section 52 requesting an information map breakdown.

ACTION: Explain rationalisation map of supplements to next meeting.

PE added transparency is needed on how money is allocated. Suggestion made by GM to use the meeting on 27th February to look at supplements and rational. SN it would need to be proposed on basis that it is £3.4m for budget process for budgets to go out to schools early March a meeting on the 27th of February would be too late.

Calendars to be checked to see if there is a date earlier than 27th February available for next Schools Budget Forum Meeting.

Next meeting to focus on supplements.

GJ expressed it is key to collaborate with individuals informing the HT at Heol Goffa is willing to share information with group members. GM wishes to respond to issues raised by Heol Goffa first and a meeting with Chair of Governors and HT has been arranged.

JJ reminded that this is not a short term issue with challenges faced for quite some time in the future. The challenges of the overall footprint in Carmarthenshire have previously been raised and JJ questioned whether work relating to this is ongoing? GM informed this is agenda item 4. A strategy document is going to Cabinet next Monday which is key to drive how schools work in the future. A workshop is being held tomorrow to review challenges and addressing primary school footprint, Cllr GD added the footprint is something we have to look at, thanking all members for their hard work and sharing understanding that they are all under pressure.

PE questioned the timescale for the strategy? GM stated the timescale detail is to be decided by end of March and a list of schools who will be affected will be developed. Formal discussions will take place with schools once the strategy is confirmed. GM concluded stating there is a draft of schools which needs to be confirmed by Cabinet.

Giving up posts in data and business support will provide savings that are additional to the vacancy factor. Management structures are being reviewed both in schools and in the LA with most departments are struggling to find their savings. Children's Services have an overspend of £6.5m and changes are being implemented to meet this.

GJ raised whether suggested savings will be communicated with HTs? GM confirmed that once final decisions are made, information will be shared. The demand on officers is the same in spite of the cuts that are taking place. TS stated cutting leadership teams in schools is not an option, with more work than ever being carried out. The leadership teams are carrying out tasks which were never the preserve of teachers/senior leaders.

RH informed when the overall picture was presented Councillors on Monday, the Chief Executive stressed that we can't expect people to help out and carry out tasks which are not in their remit. JJ asked if the department has scope to develop information on what schools can share with parents? Suggestion for a public message regarding what schools can and can't do (following up to what was done in CASH). GM stated at the HT conference on 7th Feb, there is a section on budget in the morning. This may be an opportunity to workshop what schools have to deliver, the core functions on what we deliver at school level, where additions such as breakfast club will need careful consideration on how to move forward. Cllr GD commented, looking at 6.5% increase in rates this year, it would be unpalatable to increase further although some LAs in Wales looking at 15%. This is going to be tough but needs to happen. LIJ concluded the conversation stating schools can't do more with less, this includes school sports, events, courses. There is a need to be more strategic and selective on what we can provide.

Corporate Employee Relations Forum (CERF) Meeting 22nd JANUARY 2024

Budget update - Randal Hemingway, Head of Financial Services

RH attended to provide an update on the budget consultations and share as much information as possible about where CCC are at this current time.

Following the Welsh Government's below-inflation funding settlement of 3.3%, announced on December 20, Carmarthenshire County Council needs to bridge a shortfall of over £27million in its 2024/25 budget.

Welsh Government acknowledge that they faced the "most stark and painful budget choices for Wales in the devolution era" as they prepared their draft budget, which includes the all-important Revenue Support Grant (RSG) allocated to local authorities. The 3.3% rise in the RSG, which makes up around three-quarters of our funding, falls well short of the contribution needed by the Council to maintain services as they are presently. Most of the remaining income, amounting to about a quarter of the total annual revenue budget, comes from the Council Tax, which raises over £100million a year.

A total of 11 budget proposals are presented for consideration. These will be considered alongside more than 100 detailed managerial proposals, such as procurement arrangements, staffing structures and internal and back-office functions.

What are the pressures:

- Cost of workforce will be £15m more than this year.
- Assumption was made that the pay award would match inflation, but we were £3m short in the pay budget due to increased offer for teachers.
- Education minister had said that it would be funded by Welsh Government, but it was only partially funded this year and not at all going forward
- **Pensions** - increase in employer contributions for teachers by 5% (28.68%). Teachers base pay is around £70m so that's a £3.5m pressure. Our assumption is that it's funded but this hasn't been settled at a national level.
- £1.18m is for fire levy.
- **Children Services** - CCC had lowest cost of any LA children's services historically. £6m overspend within service, compared to £3.5m last year. Budget of £5.5m into next year. Set aside £2m for time limited cost. No overspend in 2022 due to covid grants. New property purchased with 4 placement space. Rhyd y gors to be converted to emergency & assessment unit with capacity for 4 children for 3 month

period. Depending on how this goes, we may look at another site. £15m of pressures.

Bridging the gap:

- 100 specific reduction proposals
- £2m vacancy factor - doesn't apply to schools, for individual departments. This is sometimes done with natural turnover. Proposal mitigates removal of public facing services and redundancies. Very mindful that this could put more pressure on our employees, and that realistically it could mean some services could take a bit longer than we aspire to.

ME: Do elected members know the impact? Now seeing it for themselves, everyone here has a role to enable people to do their jobs. These are cuts, not savings. I have asked for a meeting with Jan Coles (Head of Children's Services), to address the watering down of the service, workforce don't know their future. Cuts are passed on to schools.

RH: Within £10.8m, £3.5m is a reduction for schools. Schools had additional funding during covid e.g. they had sickness paid for a couple of years by Welsh government. Those Funding streams are not part of their recurrent budget and expenditure needs to match the budget situation. Chris Moore (Director of Corporate Services) has presented to headteachers, RH to chairs of governors

ZC: Any money in the school reserves?

RH: CCC reserves peaked in 21/22. The school's forecast is £8.8m draw for this year. From £11m reserves would drop to £2m, they need to look at what they're spending on. There isn't a vacancy factor for schools. Bridgend is looking at 5% reduction on schools for comparison, and other LAs are considering.

ME: previously a comment has been made about why do we need TA's. Hopefully headteachers have been spoken to, and they've said exactly why. Education forum said too much pressure on teachers which is affecting children. I agree that Welsh Government should cough up.

RH: £3m saving on energy. Bought almost all of our energy. 6.5% increase in council tax. 1.7m from emptying second homes premium coming in April. Our budget isn't balanced now, we are £800k short.

PT: Council tax increase in Pembrokeshire Council could be between 7.5%-25%.

RH: from publicly available figures, CCC likely to be towards the lower end range of Council tax increases.

ME: LA has reached a point where they can't generate income because of lack of resources.

PT: We're going to have less but there is a public expectation to do more. We are doing what we can e.g. Sundry debtors to generate £1.5m by collecting debt.

ME: Increase charges in a cost-of-living crisis ?

JJ: *It's a vicious circle, charging people to park will lead to illegal parking.*

ZC: *Can you clarify using agency staff*

PT: *The cost of agency is approximately £12m, £8m of this spend being within schools. We'd like to pilot an in-house agency, using casual staff as we could make savings here.*

JJ: *there's a big chunk of spend going on agency, agency T+C's aren't very good*

ZC: *I have concerns around protecting employees' hours etc. Does this include agency teachers?*

RY: *There is an improved choice of agencies for schools through the National Procurement Service (NPS) but Welsh Government would prefer schools/councils to employ.*

HM: *The in-house provision would need to be attractive, how would you make it attractive. It's a useful initiative though.*

PH: *Can you explain the £2m vacancy factor?*

RH: *Yes, the NJC pay bill is £170m, £2m is around 1%. Up to individual areas how to implement. E.g. in my service Area of highest staff turnover in my area is creditors. The natural turnover in creditors will contribute towards the authorities £2m.*

JJ: *This would put pressure on the staff, which results in sickness.*

ME: *Environmental Health team has been reduced by half. So, the quality has been halved too.*

RH: *Obviously, you'd always want a full complement of staff, but this will make an impact and mitigate something much worse such as cutting a service or having to make redundancies.*

JJ: *More pressure on staff. Sickness review meetings have trebled and mainly down to stress. Any redundancies?*

RH: *Not a route we've gone down.*

PT: *We do have a severance policy, but we are not at the point where we need to make people redundant. Based on our age profile, it is also expensive.*

JJ: *Lower-level staff wouldn't cost as much.*

RH: *It's quite easy to get into high figures with long service for middle tier officers. Need to consider if the employee is going, is the work going too, what impact would that have on team surrounding them?*

PH: *There is a disconnect between school redundancies and corporate redundancies.*

PT: I don't disagree, even more challenging for schools with relatively small budgets, their scope for cuts is limited

RH: *Looking at figures from Cardiff University at what figures could look like for next 2 years, next year will be hard.*

ME: *Agree, this is the political message at TU conference*

PT: *Any mention of local government reorganisation?*

ME: *No, don't think they'd want that right now.*

RY: *When does consultation period close ?*

RH: *Sunday 12pm for submissions re the budget consultations.*

7) MINUTES OF SCRUTINY COMMITTEE MEETINGS

CORPORATE PERFORMANCE & RESOURCES SCRUTINY COMMITTEE

31 JANUARY 2024

The Committee considered the Corporate Revenue Budget Strategy Consultation 2024/25 to 2026/27, which provided a current view of the revenue budget for 2024/25 together with indicative figures for the 2025/26 and 2026/27 financial years. The Committee took into account the provisional settlement used by Welsh Government on the 20th December, 2023 which was the latest date ever to be provided.

Members were reminded that the report had been considered by Cabinet at its meeting on 15th January 2024 and members of the Committee had recently attended consultation events which had provided an opportunity to analyse and seek clarification on various aspects of the budget.

The report highlighted that funding had not been allocated for either Teachers' or Firefighters' pension increases, as it had not been worked through Westminster and Welsh Government. Whilst this is assumed to be a nil impact on our funding position, this was considered a significant risk until formally confirmed, with a value of circa £4million.

The Committee were informed that there was no additional funding being provided to meet the inherent budget shortfall going forward as a result of either the uplift in Teachers pay (set by Welsh Government), nor the 2023 NJC pay award (set by national pay bargaining) and was the most challenging settlement since devolution.

The Committee were advised that the final settlement was expected to be published by Welsh Government on the 27th February, 2024 alongside the Welsh Government budget, the day before full council meets to agree the final budget.

The Committee thereupon considered the following detailed budget information appended to the Strategy, relevant to Corporate and Performance Scrutiny:-

- Appendix A** – Corporate Budget Strategy 2024/25 to 2026/27
- Appendix A(i)** – Efficiency summary for the Chief Executive and Corporate Services departments
- Appendix A(ii)** – Growth Pressures summary for the Chief Executive and Corporate Services departments
- Appendix B** – Budget monitoring report for the Chief Executive and Corporate Services departments
- Appendix C** – Charging Digest for the Chief Executive and Corporate Services departments

Amongst the issues raised during consideration of the report were the following:

- In response to a query as to why the alternative scenario was chosen by the Authority for the Medium Term Financial Plan, the Director of Resources confirmed that this was the most realistic option out of the two options offered, due to the uncertainty of elections for both the UK Government and Welsh Government combined with a new Welsh First Minister.
- In response to a query, the Committee were advised that the Authority has been pro-active in informing property owners of the increase in premiums to both second and empty homes. This increase was approved by Cabinet in December, 2023 with a review of the policy taking place during 2024. Cabinet will consider further potential increases in premiums. The income received will be built into next year's budget, with a report to Cabinet for consideration of the tax base during the autumn term.
- The Committee were advised that the loan to the Scarlets had matured and a meeting between parties has been arranged during February to work to an acceptable outcome.
- In response to a query, members were advised that the education budget forecasts were monitored throughout the year and due to new expenditure pressures, an indicative sum of £15.4million has been allocated across departments, as identified in appendix B of the report. The Committee were informed that the most significant area of pressures was within Children's services.
- The Committee were advised that a 4% increase for staff salaries was a realistic assumption, given that the rate of inflation was decreasing.
- It was noted by the Committee, that due to lack of information provided from schools regarding individual reserves, future forecasts could not be assumed.
- The Committee were informed that Marketing and Media officers were looking into providing budget consultation feedback to the public.
- In response to a query regarding an increase to Delta Wellbeing fees, officers confirmed that the SLA is now serving more organisations and other authorities including Carmarthenshire. There has been an increase of staff, rising from 40 to 100 and changes to technology.

UNANAMOUSLY RESOLVED that:

- 4.1 the Revenue Budget Strategy Consultation 2024/25 to 2026/27 be received
- 4.2 the Charging Digest detailed in Appendix C to the report, be endorsed.

**PLACE, SUSTAINABILITY & CLIMATE CHANGE
SCRUTINY COMMITTEE**

30 JANUARY 2024

[Note: Councillor S. Godfrey-Coles declared a personal interest in this item. She remained in the meeting, took part in the deliberations and voting thereof.]

The Committee considered a report on the Council's Revenue Budget Strategy 2024/25 to 2026/27, as endorsed by the Cabinet for consultation purposes at its meeting held on the 15th January 2024. The report provided Members with an outlook of the Revenue Budget for 2024/2025 together with indicative figures for 2025/2026 and 2026/2027 financial years based on officers' projections of spending requirements and took account of the provisional settlement issued by Welsh Government on the 20th December 2023.

The Cabinet Member for Resources, in presenting the report informed the Committee that the announced provisional settlement represented an average increase of 3.1% across Wales on the 2023/24 settlement, with Carmarthenshire's increase being 3.3% (£11.0m) thereby taking the Aggregate External Finance to £349.441m for 2024/25. While the settlement was significantly above the initial indicative figure of a 3.4% increase and provided some £15.5m more than the Council's original assumption, the Welsh Government had recognised the increased figure would still not be sufficient to meet inflationary pressures facing councils, pay awards and fuel price increases and difficult decisions would need to be made.

The Committee thereupon considered the following detailed budget information appended to the Strategy relevant to its remit:

- **Appendix A(i)** – Efficiency summary for the Place, Sustainability and Climate Change Services;
- **Appendix A(ii)** – Growth Pressures summary for the for the Place and Infrastructure Service;
- **Appendix B** – Budget monitoring report for the Place, Sustainability and Climate Change Services;
- **Appendix C** – Charging Digest for the Place, Sustainability and Climate Change Services.

The following questions/observations were raised on the report:-

- It was commented that this report demonstrated an unprecedented situation and highlights the seriousness of the situation where it was getting increasingly difficult to find areas of saving without impacting on services. The Head of Financial Services stated that this was the first time in his career that he had reported an unbalanced draft budget.
- Several strong concerns were raised in regard to the Highway maintenance Services which identified a £100,000 efficiency saving by reducing surface dressing. The Committee had recently written to the Welsh Government to express its concerns in the lack of funding to maintain the roads within Carmarthenshire and the proposal was an additional sacrifice in maintaining the road network.
- In response to a concern raised in relation to the proposal to cease routine mechanical sweeping of rural roads and will only be provided on a reactive basis, the Director of Place and Infrastructure stated that drainage was key in resolving a lot of issues
- A number of concerns relating to the efficiency saving proposals in regard to the following areas were raised:-
 - Surface dressing
 - Change in mechanical sweeping of rural roads from routine to a reactive basis
 - Deterioration of the road conditions

The Director of Place and Infrastructure explained that the purpose of surface dressing was to intervene in a timely manner to extend the lifespan of the road structure. It was acknowledged that unfortunately, the current budget constraints did not conform to long term asset management. Currently, within the restricted budget a programme of surface dressing was in place which was prioritised according to the condition reported and what the budget allowed. In terms of the inspection regime regarding potholes, in principle the line of defence would be to inspect, log and repair potholes accordingly. In addition, it was emphasised that whilst drainage was key in resolving many issues, it was reported that damage occurred would be managed through routine inspection regimes and reporting methods and the method of repair would be based on the severity of the damage and prioritised accordingly.

In response to a concern raised in that should the Committee support the efficiency savings which would be at a detriment to road users potentially exposing Members to be liable, the Cabinet Member for Resources stated that ultimately it would be the responsibility of the UK and Welsh Governments. Due to the seriousness of the situation, Committee Members were informed that the Cabinet Member for Resources would be proposing to raise the current £600k capital assigned to highway maintenance to £2m towards addressing the more serious road conditions.

- Reference was made to the introduction of carparking charges to carparks within the County which currently were free of charge. Concerns were raised

that introducing car parking charges on free car parks could have a detrimental impact on local businesses. The Cabinet Member for Waste, Transport and Infrastructure Services stated that a review was currently underway which would consider free car parks and the impact of introducing car parking charges on the locality. A final report would be presented to Scrutiny in due course. It was commented that the carpark charges within Carmarthenshire Council owned carpark was cheaper than neighbouring Authorities.

It was proposed that as part of the consultation, Cabinet consider the proposal on car parking charges be reviewed based upon the rationale for individual locality free car parking provision. This was duly seconded.

- Reference was made to the proposal that learners aged 16 to 18 attending school or college would no longer be provided with free transport, which would mean that they would have to make their own arrangements. Strong concern was expressed that this proposal would have a detrimental impact on the age group being able to attend college potentially affecting their life chances. The Head of Environmental Infrastructure explained that the proposal was set to be introduced in 2025/26, in the meantime a full scoping exercise would take place and that a report could be presented upon completion.

Therefore, it was proposed that Cabinet reconsider the proposed efficiency saving to remove the provision free transport for learners aged 16 to 18 attending school or college. This was duly seconded.

RESOLVED:

- 6.1 the 2024/25 to 2026/27 Revenue Budget Strategy be received;**
- 6.2 the proposals for delivery of efficiency savings as identified in Appendix A(i) be received subject to the comments raised by the Committee being considered as part of the consultation with a focus on the following:-**
 - **Increase the funds made available to highway maintenance;**
 - **To reconsider and review the introduction of carpark charges based upon the rationale for individual locality free car parking provision;**
 - **to reconsider the proposal to cease free school/college transport for 16 to 18 year olds;**
- 6.3 the Charging Digest for the Place and Infrastructure Services, as detailed in Appendix C to the report, be endorsed;**

HEALTH & SOCIAL SERVICES SCRUTINY COMMITTEE

25 JANUARY 2024

The Committee considered the Council's Revenue Budget Strategy 2024/25 to 2026/27 which provided a current view of the revenue budget for 2024/25 together with indicative figures for the 2025/26 and 2026/27 financial years. The report was based on officers' projections of spending requirements and took account of the

provisional settlement issued by Welsh Government on 20th December 2023 - the latest date this had ever been provided.

It was emphasised that whilst significant work had already been undertaken in preparing the budget, the report represented an initial position statement which would be updated following the consultation process. Accordingly, Members were reminded that the report had been considered by the Cabinet at its meeting on 15th January 2024 and members of the Committee had attended recent consultation events which had provided an opportunity to analyse and seek clarification on various aspects of the budget.

The Committee was advised that the final settlement was expected to be published by Welsh Government on 27th February 2024 alongside the Welsh Government budget, the day before full council meets to agree the final budget.

The report indicated that no funding had been allocated for either Teachers' or Firefighters' pension increases, as this mechanism had not yet been worked through between Westminster and Welsh Government. Whilst this was assumed to be a nil impact on the funding position, this was considered a significant risk until formally confirmed, with a value of c. £4m.

The Ministers letter stated that all available funding had been provided, and Local Authorities "must therefore accommodate" costs such as the September 2024 Teachers pay deal, although there was no clarity on what has been assumed.

Members were reminded that no additional funding had been provided to meet the budget shortfall going forward as a result of either the uplift in Teachers pay (set by Welsh Government), nor the 2023 NJC pay award (set by national pay bargaining). Welsh Government recognised that this was the most challenging settlement since devolution.

The Cabinet Member for Resources advised that Wales was to receive an extra £25m for public services off the back of the boost received by English councils aimed to tackle their cash crisis. It was hoped that some of this additional funding would be distributed to Local Authorities.

The Committee thereupon considered the following detailed budget information appended to the Strategy, relevant to its remit:-

- **Appendix A(i)** – Efficiency summary for Health and Social Services
- **Appendix A(ii)** – Growth Pressures summary for Health & Social Services
- **Appendix B** – Budget monitoring report for Health and Social Services
- **Appendix C** – Charging Digest for Health and Social Services

Several questions were raised to which officers responded. The main matters were as follows:

- In response to a query regarding the £2m drawn from reserves for Children Services, assurance was provided that it was correct to apply this funding and that it was anticipated that the introduction of in-house facilities would result in the reduction for the need to go market for 3rd party placements. On this basis

it was expected that there would be no recurrent need for this draw down facility.

- In reference to the Charging Digest officers confirmed that the average increase in charges had been calculated to be around 10% uplift that took into account the cost of providing home care had increased substantially.

UNANIMOUSLY RESOLVED that:

- 6.1 The 2024/25 – 2026/27 Revenue Budget Strategy Consultation be received;**
- 6.2 The Charging Digest detailed in Appendix C to the report, be endorsed.**

COMMUNITIES, HOMES & REGENERATION SCRUTINY COMMITTEE

26 JANUARY 2024

(NOTE: Councillor H. Shepardson, having earlier declared an interest in this item, remained in the meeting during its consideration)

The Committee considered a report on the Council's Revenue Budget Strategy 2024/25 to 2026/27, as endorsed by the Executive Board for consultation purposes at its meeting held on the 15th January 2024. The report provided Members with the current view of the Revenue Budget for 2024/2025 together with indicative figures for the 2025/2026 and 2026/2027 financial years based on officers' projections of spending requirements and took account of the provisional settlement issued by Welsh Government on the 20th December 2023.

The Committee was informed that the announced provisional settlement represented an average increase of 3.1% across Wales on the 2023/24 settlement, with Carmarthenshire's increase being 3.3% (£11.0m) thereby taking the Aggregate External Finance to £349,441m for 2024/25. While the settlement was marginally above the Council's planning figure of a 3.0% increase and provided £0.9m more than the Council's original assumption, and was to be welcomed, the inflationary, pay awards and other service pressure increases far exceeded the funding provided. In context, the additional budgets required in 2024/25 to meet the costs of pay awards alone totalled £15m,

Whilst the budget proposals assumed the full delivery of all savings proposals, it was noted further work would be required to develop the cost reductions for the 2025/26 and 2026/27 financial years to be able to maintain the current Budget Strategy and level of Council tax.

It was noted that given the current risks around the Budget Strategy and the ongoing inflationary backdrop, together with other budgetary pressures, the proposed Council Tax increase for 2024/25 had been set at 6.5% to mitigate reductions to critical services. However, the strategy contained a shortfall of £801k which would need to be addressed in order for the Council to set a balanced budget. In years 2 and 3, the

financial picture remained uncertain and, as such, modelled indicative Council Tax rises of 4% and 3% had been made purely for planning purposes and sought to strike a balance with budget reductions. Those proposals would be considered by the Council in setting the Council Tax level for 2024/25 at its meeting on the 28th February, 2024. Additionally, as the Welsh Government final settlement figure was not due to be announced until the 27th February, 2024 any amendments required to be considered to the budget strategy as a result of that announcement would need to be considered by Council on the 28th February.

It was further noted that following the UK Government's decision to provide additional funding to English Local Authorities, it was hoped the Welsh Government would receive an additional £28m through the Barnett Formula and representations were being made for that additional funding to be provided to Welsh Local Authorities.

The Committee thereupon considered the following detailed budget information appended to the Strategy relevant to its remit:

- **Appendix A(i)** – Efficiency summary for the Regeneration, Leisure, Place and Sustainability and Non HRA Housing Services.
- **Appendix A(ii)** – Growth Pressures summary for the for the Place and Sustainability Services, - none for the Regeneration, Leisure, Place and Sustainability and Non HRA Services.
- **Appendix B** – Budget monitoring report for the Regeneration, Leisure, Place and Sustainability and Non HRA Housing Services.
- **Appendix C** – Charging Digest for the Regeneration, Leisure, Place and Sustainability and Non HRA Housing Services.

The following questions/issues were raised on the report:

- With regard to the budget proposals to increase income within leisure services, the Head of Leisure confirmed they predominantly related to increasing activity and the type of products offered to broaden the income base as opposed to increasing prices. However, while the leisure budget had been set with a 4% price increase, careful consideration had been given to the various rationale behind the increases and the potential impact those could have on the ability of some residents to pay, and that in some cases prices had not been increased. Additionally, the Council operated a concessionary policy to offer reduced rates to those most in need but that needed to be reviewed to achieve consistency of application.
- In response to a question on the proposed reduction in agency use within the Council's Residential Care Homes, the Head of Housing and Public Protection advised that while the Council used agency staff in its residential homes, it was felt the establishment of an in-house agency could be operated at lower costs. In that regard, a pilot scheme would be trialled in the four in-house homes in Llanelli from April to July 2024 and, if successful, could be extended throughout the rest of the in-house portfolio across the county and, potentially, extended to include domiciliary care. The scheme would be undertaken on a staggered approach to ensure the proposed savings were achieved. It was also confirmed discussions had been held with the City and County of Swansea which had established a similar in-house agency, and it was felt the proposed in-house provision could be both successful and operated at lower cost than at present.

- With regard to the proposal for the re-alignment of grants and other funding sources to support front line posts and other services, the Head of Housing and Public Protection confirmed it was felt the re-alignment complied with grant conditions and would be sustainable for a number of years to protect front line services.
- The Head of Place and Sustainability in response to a question on reductions in the flood defence budget advised the Council could make bids to the Welsh Government for additional funding and that, subject to confirmation, it had secured funding for the current year to offset the reduction to the core budget.
- With regard to the impact of covid on leisure service, the Head of Leisure confirmed that while some services had recovered quicker than others, the overall recovery was positive with the service being back on track, with growth in some areas. However, it had to be appreciated a lot of other factors such as global fuel prices, instability, inflation and the cost of living also impacted on leisure activity.
- It was confirmed that while the budget included a £2m provision as a vacancy factor to help bridge the budget shortfall by for example normal staff turnover and holding vacant posts empty to help achieve target savings, the proposals were considered to be manageable.

RESOLVED THAT IT BE RECOMMENDED TO THE CABINET/COUNCIL THAT: -

- 4.1 The 2024/25 – 2026/27 Revenue Budget Strategy Consultation be received.**
- 4.2 The Charging Digests for the Regeneration, Leisure, Place and Sustainability and Non HRA Services, as detailed in Appendix C to the report, be endorsed.**

**EDUCATION, YOUNG PEOPLE & THE WELSH LANGUAGE SCRUTINY
COMMITTEE**

31 JANUARY 2024

[NOTE: Councillors B.W. Jones, M.J.A. Lewis and E. Skinner, having earlier declared an interest in this item remained in the meeting during its consideration.]

The Committee considered a report on the Council's Revenue Budget Strategy 2024/25 to 2026/27 and which provided Members with the current view of the revenue budget for 2024/2025, together with indicative figures for the 2025/2026 and 2026/2027 financial years. The report was based on officers' projections of spending requirements and took account of the provisional settlement issued by Welsh Government (WG) on 20th December 2023.

It was reported that whilst significant work had already been undertaken in preparing the budget, the report represented an initial position statement which would be updated following the consultation process. Accordingly, Members were reminded that the report had been considered by the Cabinet at its meeting on 15 January 2024 and members of the Committee had attended recent consultation events which

had provided an opportunity to analyse and seek clarification on various aspects of the budget.

The Committee was informed that the announced provisional settlement represented an average increase of 3.1% across Wales on the 2023/24 settlement, with Carmarthenshire's increase being 3.3% (£11.0m). While the settlement was marginally above the Council's planning figure of a 3.0% increase and provided £0.9m more than the Council's original assumption, and was to be welcomed, the inflationary, pay awards and other service pressure increases far exceeded the funding provided. In context, the additional budgets required in 2024/25 to meet the costs of pay awards alone totalled £15m. In particular, no additional funding had been provided to meet the inherent budget shortfall going forward as a result of either the uplift in Teachers pay set by Welsh Government, nor the 2023 NJC pay award set by national pay bargaining.

Committee's attention was drawn to section 3.5 of the budget strategy whereby an overview of the schools' delegated budgets was provided to Members. The Cabinet Member for Resources explained that the budget proposals included a £3.5m saving applied in this regard, which was consistent with the level of savings required of other areas of council services. The Cabinet Member for Resources was however pleased to report that the planned reduction to the Recruit Recover Retain Standards (RRRS) grant had been reversed, which would provide partial mitigation.

An overview of the updated position on the current financial outlook, as set out at section 4 of the report, was provided to the Committee which took account of the provisional settlement and also other recent validation changes.

The Committee thereupon considered the following detailed budget information appended to the Strategy, relevant to its remit:-

- **Appendix A(i)** – Efficiency summary for the Education & Children's Services Department.
- **Appendix A(ii)** – Growth Pressures summary for the Education & Children's Services Department.
- **Appendix B** – Budget monitoring report for the Education & Children's Services Department
- **Appendix C** – Charging Digest for the Education & Children's Services Department

The Cabinet Member for Resources advised that Welsh Government was to receive an extra £25m funding for public services through the Barnett Formula following the boost received by English councils aimed to tackle their cash crisis. It was hoped that some of this additional funding would be distributed to Local Authorities.

In closing, the Committee was advised that the final budget proposals would be presented to County Council on the 28 February 2024, one day following the finalisation of Welsh Government's budget.

The issues/observations raised by the Committee were addressed as follows:-

Concerns were raised that the mechanism for funding the Teachers' and Firefighters' pension increases had not yet been worked through between Westminster and Welsh

Government. The Head of Financial Services reported that while it was assumed that this matter would have a nil impact on the Authority's funding position given the aspiration to resolve the matter within the current financial year, it did, nevertheless, represent a significant financial risk to the Authority until such time as formal confirmation was received. Furthermore, should confirmation be received at national level, a risk remained in respect of the distribution of funding amongst Local Authorities.

In response to a query regarding the Youth Support Service & Participation, it was confirmed that as a non-statutory provision, the proposals comprised a 10% reduction to operational costs and a reduction in core funding over a 3 year period until such time as the provision would be reliant on grant funding. The Director of Education and Children's Services recognised the potential long term adverse impact upon children and young people and emphasised that the proposals were based upon the requirement to meet efficiency savings.

The Director of Education and Children's Services, in response to a query, clarified that the transfer of responsibility and funding for the school breakfast provision to schools would lead to a more effective and efficient service, with opportunities for schools to generate income. A consultation exercise was scheduled to commence imminently.

Reference was made to the efficiencies required within the delegated schools budget whereby a concern was raised that the impact of the level of reduction per learner would be felt greater within smaller schools. An assurance was provided to the Committee that discussions were ongoing in an effort to mitigate the severity of the impact on smaller schools; it was however highlighted that any mitigation in this regard would result a greater impact on larger schools.

Reference was made to the proposed review of primary schools' footprint to derive efficiency savings of £200k for 2025/26 whereby a Member enquired as to the potential number of school closures that would be required to achieve the efficiency savings. It was explained that a thorough review of all Carmarthenshire schools was ongoing, however the closure of smaller schools would only derive savings in terms of site costs which was estimated to be in the region of £50k-60k per school.

Following a request for further information regarding the schools which showed a deficit budgetary position, the Director of Education and Children's Services confirmed that 4 secondary schools and 32 primary schools were currently showing a deficit. It was anticipated that the number of budgetary deficits would be increased in 2024/25 which further highlighted the need for schools to collaborate to identify potential sharing of resources.

In response to concerns raised, the Head of Strategy and Learner Support provided an overview of the detrimental impact that would be incurred as a result of further reductions to the Welsh Language Support and Data & Education Systems budgets. It was acknowledged by Members that staffing cuts to these areas would lead to a reduced service provision and pose a risk in terms of the Authority's ability to deliver the requirements of the Welsh In Education Strategic Plan and accordingly, grant funding opportunities were being explored.

In considering the savings proposals reference was made to a recent televised programme which related to schools in urgent need of repair, and which included one school within the county. An assurance was therefore sought that the proposed

budgetary cuts would not impact upon the timescales for the delivery of repairs to be carried out in schools to ensure a safe and positive learning environment for pupils. The Head of Access to Education duly clarified that the school in question related to a design issue rather than an issue of neglect of maintenance and the Authority was monitoring the situation and exploring ways for the issue to be addressed on a longer-term basis. It was acknowledged that the budget provision did not meet all costs incurred by some schools in respect of repair and maintenance of buildings, however an assurance was provided that repairs and maintenance were prioritised according to health and safety requirements within the budget available.

The Committee expressed concern and dissatisfaction that the cumulative deficit balances in future years remained a significant risk to the Authority, however there was little room for manoeuvre in light of the funding allocation from Welsh Government. In particular, the nationally agreed teachers' pay uplift, which had not been funded by Government, placed a significant additional pressure on Local Authorities and would result in consequential implications for school budgets, which are already extremely tight. In light of the aforementioned concerns, the Committee felt that written representations should be conveyed to the Welsh Government and / or HM Treasury as part of its consultation process on the Spring Budget 2024.

RESOLVED that:

- 4.1 The 2024/25 – 2026/27 Revenue Budget Strategy Consultation be received;**
- 4.2 The Charging Digest detailed in Appendix C to the report be endorsed;**
- 4.3 The Chair to submit written representations to Welsh Government and / or HM Treasury to express the Committee's concern and dissatisfaction in respect of the proposed budget allocation for schools and teachers pay awards.**

**EDUCATION, YOUNG PEOPLE & THE WELSH LANGUAGE SCRUTINY
COMMITTEE**

31 JANUARY 2024

The Committee considered the Corporate Revenue Budget Strategy Consultation 2024/25 to 2026/27, which provided a current view of the revenue budget for 2024/25 together with indicative figures for the 2025/26 and 2026/27 financial years. The Committee took into account the provisional settlement used by Welsh Government on the 20th December, 2023 which was the latest date ever to be provided.

Members were reminded that the report had been considered by Cabinet at its meeting on 15th January 2024 and members of the Committee had recently attended consultation events which had provided an opportunity to analyse and seek clarification on various aspects of the budget.

The report highlighted that funding had not been allocated for either Teachers' or Firefighters' pension increases, as it had not been worked through Westminster and Welsh Government. Whilst this is assumed to be a nil impact on our funding position, this was considered a significant risk until formally confirmed, with a value of circa £4million.

The Committee were informed that there was no additional funding being provided to meet the inherent budget shortfall going forward as a result of either the uplift in Teachers pay (set by Welsh Government), nor the 2023 NJC pay award (set by national pay bargaining) and was the most challenging settlement since devolution.

The Committee were advised that the final settlement was expected to be published by Welsh Government on the 27th February, 2024 alongside the Welsh Government budget, the day before full council meets to agree the final budget.

The Committee thereupon considered the following detailed budget information appended to the Strategy, relevant to Corporate and Performance Scrutiny:-

- Appendix A** – Corporate Budget Strategy 2024/25 to 2026/27
- Appendix A(i)** – Efficiency summary for the Chief Executive and Corporate Services departments
- Appendix A(ii)** – Growth Pressures summary for the Chief Executive and Corporate Services departments
- Appendix B** – Budget monitoring report for the Chief Executive and Corporate Services departments
- Appendix C** – Charging Digest for the Chief Executive and Corporate Services departments

Amongst the issues raised during consideration of the report were the following:

- In response to a query as to why the alternative scenario was chosen by the Authority for the Medium Term Financial Plan, the Director of Resources confirmed that this was the most realistic option out of the two options offered, due to the uncertainty of elections for both the UK Government and Welsh Government combined with a new Welsh First Minister.
- In response to a query, the Committee were advised that the Authority has been pro-active in informing property owners of the increase in premiums to both second and empty homes. This increase was approved by Cabinet in December, 2023 with a review of the policy taking place during 2024. Cabinet will consider further potential increases in premiums. The income received will be built into next year's budget, with a report to Cabinet for consideration of the tax base during the autumn term.
- The Committee were advised that the loan to the Scarlets had matured and a meeting between parties has been arranged during February to work to an acceptable outcome.
- In response to a query, members were advised that the education budget forecasts were monitored throughout the year and due to new expenditure pressures, an indicative sum of £15.4million has been allocated across departments, as identified in appendix B of the report. The Committee were informed that the most significant area of pressures was within Children's services.

- The Committee were advised that a 4% increase for staff salaries was a realistic assumption, given that the rate of inflation was decreasing.
- It was noted by the Committee, that due to lack of information provided from schools regarding individual reserves, future forecasts could not be assumed.
- The Committee were informed that Marketing and Media officers were looking into providing budget consultation feedback to the public.
- In response to a query regarding an increase to Delta Wellbeing fees, officers confirmed that the SLA is now serving more organisations and other authorities including Carmarthenshire. There has been an increase of staff, rising from 40 to 100 and changes to technology.

UNANAMOUSLY RESOLVED that:

4.1 the Revenue Budget Strategy Consultation 2024/25 to 2026/27 be received

4.2 the Charging Digest detailed in Appendix C to the report, be endorsed.

SCHOOL'S BUDGET FORUM

23 JANUARY 2024

RH provided a presentation to School Budget Forum members discussing the schools position in an attempt to understand the corporate position.

Provisional settlement from WG – It was expected there would be an average increase of 3.1%, however, CCC received an increase of 3.3% on the 2023-24 settlement. This has resulted in £11m of additional funding from budget reductions (where schools are a part). Following actions such as £2m vacancy factor (not in schools) being implemented there will be a total shortfall for 24/25 of £0.8m. RH raised concerns that there is currently a draft budget which is not balanced, this is an unusual situation meaning we must find more savings.

Specific grant – RH presented a slide demonstrating the value of current grants, however as other costs have increased schools will be at a disadvantage, 20% reduction in real terms. GJ stated this is an additional cut to the budget with further implications on what we have to offer pupils.

Current Validation Assumptions – Inflation is expected to be 4% next year which will impact schools from SLAs perspective.

Teachers Pay – The pay award is estimated at 4%. WG have assumed the level of teacher pay awards for September 2024 but not shared final information resulting in CCC estimating 4% based on other LAs. WG states LAs must allow for teachers pay in budgets. GM informed a motion will be raised at County Council tomorrow challenging WG on this year/last year's settlements where we are £3m short after honouring teachers' pay awards. RH stated he presented this at an ERF meeting, where unions agreed that WG needed to honour this funding gap.

PE questioned if officers are confident LAs will be able to meet the demand of unavoidable pressures? GM stated we've been in a good position for many years with managing learners and are developing local children's homes to support those in need, but this will take time. There is capital funding to support work being carried out but no revenue funding. PE stated he is cautious as there is a higher level of need with pupils while schools are facing cuts. RH added some of the money received is going to existing provisions for families with disabled children, foster care and growing the social worker capacity.

Pay assumptions - 5% was assumed for September 2023 which was not enough, and the LA needs to find the shortfall to correct for next year's budget resulting in the £3m shortfall next year with the value to be found before this year.

Energy - 1/3 of the energy needed for the financial year 25/26 has been purchased and costs are continuing to come down, helping to bridge part of the budget gap.

Teachers' pensions - There has been an increase of 5% next year which was referenced in the Ministers letter. This is expected to be fully funded.

GJ referenced the slide stating "Current year £8.8million draw on reserves is unsustainable" asking if it was after the suggested savings mentioned previously. SN confirmed it was not and is based on the October returns. GM added if the proposal to reduce schools budget goes through, we may see an additional 20 schools go into deficit.

Vacancy Factor - A proposed £2m will be applied to Council services, excluding schools. RH stated each department is responsible the vacancy factor to deliver an additional in year saving relative to staffing budget. This is done either through natural staff turnover or through deliberately holding vacancies unfilled. GM stated there is a £343,000 additional reduction in the budget on top other savings within the department.

RH stated all figures mentioned have related to year one and there are no public figures for year 2 and year 3 to date. Following work carried out by Cardiff University forecasts for 2025/26 and 2026/27 were presented, providing modelled figures but these are the best we have at present to inform future considerations as the scale of issue not going away.

Scale of cuts in future years were highlighted noting the department have a large shortfall for years 2 and 3, and the scale of uncertainty on pay awards was highlighted and a balanced budget at present cannot be presented.

Key risks – It is unclear what the pay awards will be for 2024, use of reserves in schools which has been significant this year and won't be possible for many next year, Children's Services pressures, pensions and the 800k shortfall position.

The consultation period is still open with approx. 3,000 responses to date. RH will be attending the Education Employee Relations Forum next week and a final budget will be in front of Carmarthenshire Council on 28th February 2024.

PE informed of an article in Wales Online, discussing Council debts. Members were informed by GM and SN that the article focuses on borrowing, ignoring the different forms of funding within LAs. RH provided context on Carmarthenshire borrowing position stating, as of March 2023 there is \$411m of outstanding borrowing ranging from £20m borrowed last year at low rates through to loans taken out in 1970s.

Members thanked shared with RH for presenting the budget information clearly.

PJ raised concerns about costs and additional vulnerability with a need to find more internal solutions as opposed to "going to market" as this is the more cost efficient. TS informed discussions have started in CASH about making efficiencies around sharing staff knowledge and services.

GM gave a presentation on departmental budgets stating we are fully funding teachers' pay for next year and growth funding bids were made on behalf of schools, but these were not successful. Members were reminded the department (including schools) needs to find almost £4.8m in savings. Policy proposals are being consulted on and managerial proposals can be handled internally. All will have an impact on children and education.

GM continued explaining £3.454m equates to an estimated £120 per pupil reduction although this may be higher. Youth support and music services are not statutory services, but it may be argued they have benefits to pupils. These services are co funded (council funding and grant funded).

Proposed policy cuts came to £335k leaving over £1m on managerial savings to be made. This includes a review of the middle tier, moving from multiple grants to one grant with four pillars. SN clarified grants moving forward will include equity, welsh language, reform as school standards. WG have stated the funding pot is the same and there will be a national formula with terms and conditions being developed with the aim for less bureaucracy and grants. If there are no regional grants, the money comes direct to LA putting pressure on our teams. GM informed the Early Years Education component is covered by a grant which has allowed this funding to cover gaps and overspends in previous years.

Relating to savings within catering, work is to be carried out around secondary schools catering costs and offer. PE stated changes to the breakfast provision has been raised before and it cannot be managed by HTs when there isn't the capacity and staffing. SD explained how this proposal has multiple options including charges to parents and catering providing the food with schools providing the care. PE raised concerns that schools are taking more work on with less support. SD informed pupils are entitled to the free breakfast and many parents have become reliant on the service that. GJ understands this is a core offer, but schools can't be all things to all people, requesting further guidance from LAs on what they should offer. GJ raised the section 52 document previously reviewed drawing attention to items he feels are not fit for purpose such as ALN funding and how it is shared with schools. He would like to see more of understanding how we have arrived at the figures presented within section 52 requesting an information map breakdown.

ACTION: Explain rationalisation map of supplements to next meeting.

TOWN AND COMMUNITY COUNCIL LIAISON FORUM

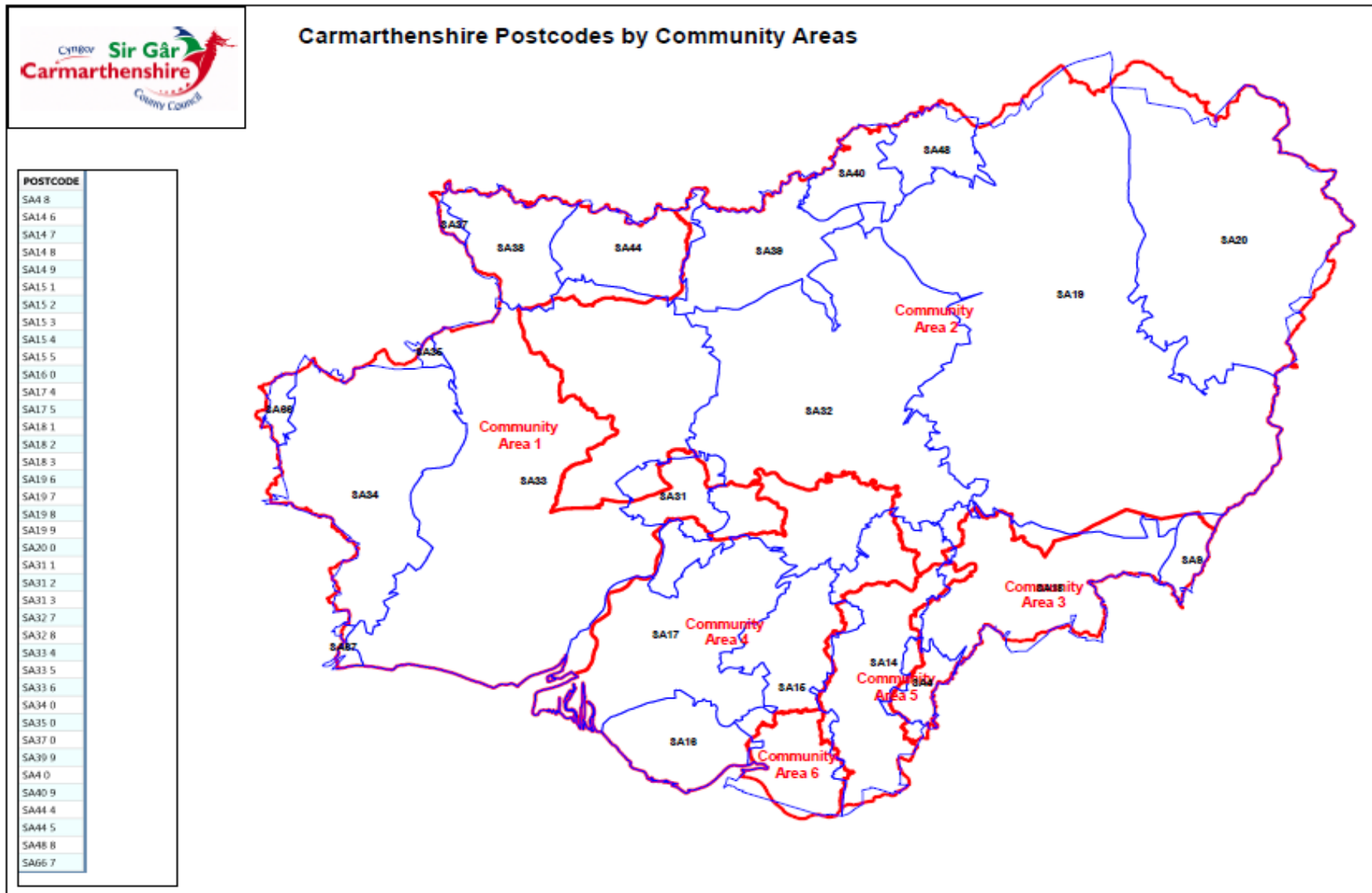
17 JANUARY 2024

14 local Councils were present, with some duplicate attendees.

Chris Moore, Director of Corporate Services gave a presentation outlining Carmarthenshire County Council's draft budget for 2024/25 and challenges over the medium term

- Questions were raised in terms of the Vacant Posts factor and any plans the Council may have in place in terms of Early Voluntary Retirement.
- Councils also discussed the Asset Transfer opportunities (e.g. Public Conveniences) but stressed that budgetary pressures also apply to them locally.
- Councils also noted that the timescales for consultation were difficult for them, due to the meetings scheduled (although Chris noted that we could be flexible for a few days after consultation closure if there were specific comments)
- A question was raised in terms of how challenging CCC were in terms of the budget uplift from Mid & West Wales Fire & Rescue Service were.
- Members were interested in the work of the Transformation Team / use of external consultants and steps we are taking as a Council to work more efficiently / save internal costs such as paper etc

8) APPENDIX 1 – MAP OF COMMUNITY AREAS



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COUNCIL FUND REVENUE ACCOUNT

TABLE 1

SUMMARY STATEMENT

2023/24 Approved Budget £	2023/24 Provisional Outturn £		2024/25 Proposed Budget £	2025/26 Indicative Budget £	2026/27 Indicative Budget £
20,639,830	20,258,452	Chief Executive	19,442,867	19,983,462	20,435,210
131,166,091	134,815,045	Communities	141,065,783	143,145,119	144,209,774
31,519,657	30,707,546	Corporate Services	31,386,076	40,080,087	40,364,074
202,812,882	209,583,382	Education & Childrens	220,863,067	222,164,512	224,680,035
68,871,273	70,545,352	Place & Infrastructure	76,544,224	77,397,465	78,187,779
		Savings to be identified	0	-8,420,571	-7,447,708
455,009,733	465,909,775	Departmental Expenditure	489,302,017	494,350,074	500,429,165
1,510,070		Corporate Contingency	0	0	0
(19,513,212)	(22,513,212)	Capital Charges/Asset Management Acc	(24,069,876)	(23,569,876)	(23,069,876)
		<u>Levies and Contributions</u>			
13,013,807	13,013,807	Mid & West Wales Fire Authority	14,366,731	14,797,733	15,093,688
168,091	168,091	Corporate Joint Committee	174,815	180,059	183,660
152,360	152,360	Brecon Beacons National Park	158,454	163,208	166,472
450,340,849	456,730,821	Net Expenditure	479,932,141	485,921,198	492,803,109
0	(5,312,572)	Contribution to/from general balances	0	0	0
0	(1,077,400)	Transfer to/from Departmental Balances	0	0	0
-	-	Transfer to/from Earmarked Reserves	-3,000,000	0	0
450,340,849	450,340,849	NET BUDGET	476,932,141	485,921,198	492,803,109
		TO BE FINANCED FROM:			
(338,410,457)	(338,410,457)	Aggregate External Finance	(350,330,000)	(353,827,336)	(356,304,127)
		Pensions Grants/Increased RSG	-4,052,194	-4,173,655	-4,257,127
111,930,392	111,930,392	CALL ON TAXPAYERS	122,549,947	127,920,207	132,241,854
1,490.97		Band D Tax	1,602.80	1,666.91	1,716.92
6.80%		Council Tax Increase	7.50%	4.00%	3.00%

Mae'r dudalen hon yn wag yn fwriadol

Y CABINET
19 CHWEFROR 2024

RHAGLEN GYFALAF PUM MLYNEDD (CRONFA'R CYNGOR)
2024/25 - 2028/29

GOFYNNIR I'R PWYLLGOR CRAFFU:

Bod y Cabinet yn ystyried ac yn argymhell i'r Cyngor Sir:

1. Y rhaglen gyfalaf pum mlynedd a'i ariannu yn unol ag Atodiad A, gyda chyllideb 2024/25 yn un bendant a chyllidebau 2025/26 i 2028/29 yn rhai mynegiannol.
2. Bod y rhaglen yn cael ei hadolygu, fel sy'n arferol, os na cheir y cyllid allanol neu o'r cyngor sir a ragwelwyd.
3. Cymeradwyo'r strategaeth gyfalaf (Atodiad C),
4. Bod y Cabinet/Cyngor Sir yn dirprwyo i Gyfarwyddwr y Gwasanaethau Corfforaethol, mewn ymgynghoriad â'r Prif Weithredwr, yr Arweinydd a'r Aelod Cabinet dros Adnoddau i wneud unrhyw newidiadau sy'n angenrheidiol o ganlyniad i setliad terfynol Llywodraeth Cymru ar 27^{ain} Chwefror 2024.

Y RHESYMAU:

Er mwyn galluogi'r awdurdod i gytuno ar raglen gyfalaf pum mlynedd 2024/25 i 2028/29.

AELODAU'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:

- Cyng. Darren Price (Arweinydd)
- Cyng. Alun Lenny (Adnoddau)

<p>Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol</p> <p>Enw'r Cyfarwyddwr: Chris Moore</p> <p>Awdur yr adroddiad: Randal Hemingway</p>	<p>Swyddi:</p> <p>Cyfarwyddwr y Gwasanaethau Corfforaethol</p> <p>Pennaeth y Gwasanaethau Ariannol</p>	<p>Rhif ffôn / Cyfeiriad E-bost:</p> <p>01267 224120 CMoore@sirgar.gov.uk</p> <p>01267 224886 Rhemingway@sirgar.gov.uk</p>
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EXECUTIVE SUMMARY

**CABINET
19TH FEBRUARY 2024**

FIVE YEAR CAPITAL PROGRAMME (COUNCIL FUND) 2024/25 TO 2028/29

The report brings together the latest proposals for the five-year capital programme 2024/25 to 2028/29, taking account of the consultation exercise undertaken and the revenue implications arising from the programme.

The proposed gross expenditure on the capital programme for 2024/25 is £86.930m with the projected funding being £50.374m from the county council's own resources through the application of borrowing, reserves, direct revenue financing, capital receipts and general capital grant, with the balance of £36.556m coming from external sources.

The new capital programme is fully funded over the five years; however, it is proposed to under commit some of the available funding to give flexibility across the programme to cover any unexpected additional costs.

The authority's capital strategy, required by the prudential code for capital finance in local authorities, has been updated and sets out the long-term context in which capital expenditure and investment decisions are made. It gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The capital strategy covers expenditure on both Council Fund and HRA capital and is included as Appendix C.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Randal Hemingway Head of Financial Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Biodiversity & Climate Change
NONE	NONE	YES	NONE	NONE	NONE	YES	YES

3. Finance

The updated capital programme is projected to be fully funded for the five years 2024/25 through to 2028/29, however, if any of the currently anticipated funding does not materialise it will need to be revisited.

7. Physical Assets

New assets created from the capital programme will be added to the Council's portfolio. In addition, the programme proposes expenditure to improve the existing assets and comply with statutory responsibilities.

8. Biodiversity & Climate Change

Some schemes within the Capital Programme relate to decarbonisation measures to help reduce our carbon footprint.

CABINET MEMBER PORTFOLIO HOLDERS AWARE/CONSULTED?	YES
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Section 100D Local Government Act, 1972 – Access to Information List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW:

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2023/24 – 2027/28 Capital Programme		Corporate Services Department, County Hall, Carmarthen. Minutes of County Council Meeting 1 st March 2023.
WG Provisional Settlement		Corporate Services Department, County Hall, Carmarthen.

Mae'r dudalen hon yn wag yn fwriadol

REPORT OF DIRECTOR OF CORPORATE SERVICES

CABINET

19TH February 2024

FIVE-YEAR CAPITAL PROGRAMME – 2024/25, 2025/26, 2026/27, 2027/28 and 2028/29

DIRECTOR & DESIGNATION	DIRECTORATE	TELEPHONE NO.
C Moore, Director of Corporate Services	Corporate Services	01267 224120
AUTHOR & DESIGNATION	DIRECTORATE	TELEPHONE NO.
R Hemingway, Head of Financial Services	Corporate Services	01267 224886

1 INTRODUCTION

- 1.1. The report provides members with a view of the proposed five-year Capital Programme 2024/25, 2025/26, 2026/27, 2027/28 and 2028/29.
- 1.2. This report reflects the position following consultation and sets out the proposals for the authority's capital programme for the next five years.
- 1.3. In response to the consultation and the matters raised in the Corporate Performance and Resources Scrutiny Committee meeting, the capital programme has been amended to give additional support for flood mitigation and rural estates.
- 1.4. The Authority is required to approve a rolling capital programme each year as part of its budget setting process. This facilitates forward planning and is consistent with the requirements of the Prudential Code in terms of financial planning and funding while assisting officers in bidding for external funding.

2. CONSULTATION

- 2.1. The detailed provisional capital programme (Appendix A) was presented to the Corporate Performance and Resources Scrutiny Committee on 31st January 2024 to seek its views on the proposals. An extract from the relevant Committee meeting minutes is appended (Appendix B) for information.

3. BACKGROUND

- 3.1. Last year the authority agreed a fully funded five-year capital programme 2023/24 to 2027/28 which was approved at County Council on 1st March 2023.
- 3.2. In recent years we have faced multiple challenges from rising costs, and reductions in government funding in real-terms, which remain as we look to prioritise our spending in 2024/25 and beyond. The truth is that the council has never faced the pressures on budgets that we currently face. In June 2023 the annual rate of construction output price growth (inflation) was 4.6%, a year earlier it was 10.4%. Compounded, this has had a significant effect on the costs of existing projects and therefore our ability to fund new projects. Some new funding, already approved, to fund pressures on existing projects within the current programme is reflected in the new programme, however, given the significant cost pressures on the revenue budgets, and the need to make some significant match funding contributions, no expressions of interest for new projects have been invited. This will enable projects already approved to be completed without putting additional pressures on resources. The allocation of the rolling programme of works within the capital programme continues to be supported across all five years.
- 3.3. The proposed capital programme is attached in Appendix A and shows the anticipated expenditure and sources of funding over the five year period.
- 3.4. The proposed capital programme and funding is based on the Welsh Government's (WG) provisional settlement, received on 20th December 2023. This year general capital funding across Wales has been confirmed at £180m for 2024/25 the same as provided for 2023/24. For Carmarthenshire this means an allocation of non-hypothecated capital funding of £11.97m. This is £19k less than the allocation in 2023/24 owing to the Welsh Government formula which is based on population size. Other hypothecated capital funding grants across Wales totalling £782.342m was announced in the settlement, with funding in a number of areas to be confirmed. We will be applying to take advantage of this grant funding in due course but it is not reflected in the programme at this time. Any successful applications for funding will be reported separately. The final settlement is due in on 27th February 2024, by which time papers will have been prepared and dispatched for the County Council meeting on 28th February. Should there be any amendments in the funding figures the Cabinet Member for Resources or the Director of Corporate Services will update members accordingly at the meeting of the Council on 28th February.

4. PRIORITIES

- 4.1. The current Corporate Strategy for 2022-2027 sets out the Authority's strategic priorities, aspirations, overarching themes and core values, and the programme has been developed in line with these.
- 4.2. The proposed capital programme of £192.9m over the five years reflects new funding to be approved, it does not include any funding relating to ongoing

projects in the current year which may slip at the end of the financial year into the 2024/25 programme. It is aimed at delivering a number of key projects that will create jobs and improve the quality of life for the people of Carmarthenshire. Following our declaration of a climate emergency in February 2019 decarbonisation is a priority for the Authority and design briefs for new projects will include an emphasis on carbon efficiency.

The key investments within the programme are:

	£'m
Schools	64
Housing (Non HRA)	12
Lesiure & Culture	2
Regeneration	34
Swansea City Deal Region	16
ICT and Property	22
Place and Infrastructure	43

5. FUNDING

The provisional settlement received from WG allocated capital funding of £11.97m for the Authority in 2024/25, made up of non-hypothecated supported borrowing of £5.905m and General Capital Grant of £6.065m. An assumption that this general funding support will be maintained for the five years of this programme has been made. The use of earmarked reserves was approved as part of previous years' reports and are included as funding for the current capital programme. In total £22.7m of reserves and direct revenue funding is included over the five years of the programme.

- 5.1. The existing levels of investment into the schools estate programme has been boosted slightly with additional funds however there is a realisation that further additional funding will be needed in future years to deliver the whole modernisation of schools programme. In the current financial climate this will be a significant challenge, especially taking account of the other county council capital priorities.
- 5.2. Funding from external parties in the form of grants for the whole of the capital programme is currently expected to be in the region of £71.8m. which includes City Deal, Levelling Up projects and anticipated schools grants.
- 5.3. As part of the provisional annual settlement from Welsh Government, funding was made available on an all Wales basis for transport based projects, namely: Active Travel Fund, Local Transport Fund, ULEV, and Safe Routes in Communities totaling £98.9m for 2024/25. Carmarthenshire will bid for funding from these grants and any successful awards will be added to the capital programme in due course.
- 5.4. It is again disappointing to note that specific highways improvement grant funding was omitted from the Welsh Government settlement, this will have a significant impact on our ability to reduce the backlog in highways maintenance works.

- 5.5. It is proposed to support the new programme by the use of £4.5m capital receipts from the sale of assets. Given the current economic environment forecasting capital receipts has become unpredictable recently. Funding from this source is, therefore, only included from already crystallised receipts or from sales that are highly probable. Use of further receipts will be monitored during the year and adjustments made if additional receipts become available.

6. CAPITAL PROGRAMME 2024/25 TO 2028/29

- 6.1. When the capital programme was approved at County Council on 1st March 2023 it was fully funded. The new capital programme again remains fully funded over the five-year period, however, it is proposed to marginally undercommit in the later years of the programme some of the available funding from the Welsh Government in order to give flexibility across the programme to cover any unexpected additional costs on approved projects.

Community Services

- 6.2. In recent years there have been significant investments across the Community Services portfolio with investments in the new Carmarthenshire Archive, Museums in Abergwili and Parc Howard and this continues with the ongoing development at Oriel Myrddin which has been awarded additional funds both from the authority and Arts Council for Wales. This project shows our commitment to investing in the arts and such an important cultural hub within Carmarthen town centre which will also further regenerate the Old Town Quarter and increase footfall to this area.
- 6.3. The new programme includes the provision of a new leisure centre in Llanelli, which will be delivered in conjunction with the Pentre Awel development under the umbrella of the Swansea Bay City Region. (See 6.27)
- 6.4. Shared Prosperity Fund grant of £472k has been secured for a new amenity block at Pembrey Country Park campsite.
- 6.5. In 2028/29 within Private Sector Housing, further funding is provided for Disabled Facility Grants of £2.5m as part of our annually supported programme of investments.

Place and Infrastructure

- 6.6. For 2028/29 further allocations to existing rolling programmes of work are included for highways and structures, namely Highway Improvements £600k, Highway Drainage £250K, Bridge Maintenance £400k, Road Safety Improvement £250k, public lighting £400k, Llanelli multi storey carpark £60k.
- 6.7. It is proposed to allocate £200k towards flood mitigation measures in year three of the programme. This coupled with the £800k in years one and two takes our funding to £1m. It is also proposed to commit to regularly reviewing this important area and bringing forward projects for inclusion in future capital programmes.

- 6.8. Disappointingly, no award was made for Highways Refurbishment or Resilient Roads funding as in previous years, however, given the importance of the our highways network to the economy of the county, it is proposed to make £1.4m funds available in 2024/25 from council resources. This is a 40% increase on the monies made available by us in 2023/24, and comes on top of the £600k awarded as part of the annual programme. A total of £2m from council resources for highways improvements.
- 6.9. 2028/29 also sees the continuation of our commitment to Rights of Way and Byways with funding of £66k, in recognition of our obligations in this area and the wider community health and environmental benefits provided by these valuable resources.
- 6.10. As part of our commitment to decarbonisation and to improve recycling and circular economy facilities within the county, which will also serve the wider West Wales Region, a £10m loan facility is to be made available over 2024/25 and 2025/26 to CWM Environment Limited to develop its site at Nantycaws. £250k is also included in 2024-25 from council funding as a match funding resource to attract anticipated external decarbonisation grant funding.
- 6.11. £5.5m is provided for the ongoing fleet replacement programme, which will see the replacement of highway gritters and social services mini buses amongst others. Also included is a programme for the replacement of waste and recycling collection vehicles totalling £14.7m, £5.7m council funding and £9m external grants. The project will see a transition of the council's fleet towards the wider use of Electric Vehicles. The council funding for this capital spend will be provided directly from revenue budgets of the service users via prudential borrowing and, therefore, both projects are included subject to a review of departmental service needs, and the assessment of affordability.

Education and Children

- 6.12. With the Education and Children Services portfolio, the Modernising Education Programme includes the continuation of the Welsh Government's Sustainable Communities for Learning improvement programme. Schemes are funded jointly by Welsh Government grant and the Authority.
- 6.13. £61m is included as a delivery fund for the ongoing Modernising Education Programme. This includes £21.3m of council resources which will attract £39.6m in Welsh Government funding at the current intervention rate of 65% for standard schools. This coupled with unallocated MEP delivery fund monies from 2023/24, brings the total available funds in this area to £68m. The programme is currently under review and following approval an updated list of priority projects will be submitted to the Welsh Government's Sustainable Communities for Learning Rolling Programme.
- 6.14. Individual investment projects will be identified and assigned funding in due course, following an application and approval process to the Welsh Government for grant funding support.

- 6.15. It is proposed to award a further £500k in 2028/29 to fund ongoing pressures on the education budget, namely: Equalities Works, Health and Safety measures, Mobile Classroom Provision.
- 6.16. To mitigate ongoing health and safety concerns at a number of school drop-off sites we propose to provide £850k in 2024/25 for the provision of new bus bays and traffic management projects. This is the second year of funding for a programme of works awarded £850k in 2023/24. This will be funded by MEP unsupported prudential borrowing.

Chief Executive

- 6.17. Robust, resilient and reliable Digital Infrastructure and Systems are crucial to the delivery of public services across Carmarthenshire. Given the need to maintain and enhance our digital resilience, in addition to the already £2.2m allocated to ICT in the early years of the programme, £2.4m is assigned across years 3, 4 and 5. This will be accommodated within the available supported resources in those years. It also includes annual funding of £200k per annum to support digital transformation and modernisation across council services.
- 6.18. The county council will also lead the delivery of the Swansea Bay City Region Digital Infrastructure Programme across the region, benefiting from significant capital investment across Carmarthenshire. This project will be delivered with the private sector and is 100% funded by City Deal Grants, so these are not included in this programme.
- 6.19. Significant investment will be made available for the refurbishment of the county's rural estate with £300k for county farms slurry infrastructure in 2024-25. Following consultation, consideration has been given to the ongoing potential costs of operating the rural estate. It is, therefore, proposed to include £200k in the second year of the programme. As we revise the programme in future years further consideration will be given to including additional funding in this area.
- 6.20. We continue to upgrade and modernise our administrative estate. Funding already approved for inclusion in 2024/25 for works at Ty Elwyn to replace windows and restore the exterior is now reflected in the programme.
- 6.21. Following a review of assets and changes to the ways of working, we have started to downsize our estate, most notably with the leasehold sale of Parc Dewi Sant, however, our large portfolio means we still have to invest significant resources in order to maintain them, in order to deliver our services to the people of Carmarthenshire. In 2028/29 it is therefore proposed to continue the annual allocation towards Capital Maintenance across the county estate at £3m. (£15.3m across the five years.) This maintains our investment in this area. The estate may be downsized further in coming years as we aim to release further capital receipts to fund future programmes.

Regeneration

- 6.22. The work to deliver the new Carmarthen town centre hub continues. A new community resource, in partnership with healthcare and education providers. There will also be a large leisure offer and new fitness suite included within the building. This development will bring footfall back to the town centre and be a catalyst for the regeneration and revitalisation of Carmarthen town centre. Funding approved for this project by cabinet in the Autumn of 2023 is included, together with funds allocated from the Transformational Strategy Property Fund within the existing programme. This is in addition to the funding provided by the Department for Levelling Up and in-house match funding awarded to the project in previous years.
- 6.23. Llanelli Town Centre was successful in attracting Levelling Up Fund grant in the third round of awards. This funding was based on a second round application and whilst we welcome this offer of grant we are mindful that the economic environment has changed since the original bid. We will now work with the UK government to agree a viable project. This investment means that we have managed to attract Levelling Up Funding for each of our Parliamentary constituencies. £18m, £15.5m from LUF and £2.5m from council reserves will be assigned across 2024/25 and 2025/26. This development will aim to boost footfall in Llanelli town centre and compliment other regeneration projects already delivered in the town centre such as the redevelopment of the former YMCA building, and the upcoming redevelopment of Market Street North which has already been approved.
- 6.24. This project in Llanelli, the Hub in Carmarthen and our Ten Towns initiative demonstrates our continued commitment to the regeneration of our towns and town centres, large and small, across the county.
- 6.25. £5.5m of grant from the Shared Prosperity Fund is included in 2024/25 for the delivery of capital business grants across the county. This is in addition to £3.4m in 2023-24, and also compliments the wider Shared Prosperity Funding available to businesses from revenue grants.
- 6.26. In the medium term we will need to be able to support new regeneration projects as they are developed. We are therefore making new awards of £2m available in 2028/29 to match fund future regeneration schemes across the county.
- 6.27. Work is now well underway to deliver the Pentre Awel project (Zone 1), under the Swansea Bay City Region, to create five distinct buildings linked with a “street” space, comprising an aquatics centre, sports hall, multipurpose sports and fitness rooms and gym, education and training facilities, clinical delivery and research and innovation and business space.

The project also includes the provision of a hydro-therapy pool, which will be part of the leisure element, the funding for which includes approximately £1m from a trust.

The overall cost of Zone 1 is £96.478m, which is funded as follows:

	<u>£'000</u>
City Deal Grant (net of administration costs)	39,400
CCC Capital Programme	28,198
Trust Fund	1,000
Hywel Dda University Health Board (Pool & audio)	880
Llanelli Waterfront Joint Venture	7,000
External Private Finance	<u>20,000</u>
	96,478

The structure of the City Deal grant funding means that WG expects the Authority to deliver the projects and raise the funding through borrowing which will then be repaid over a fifteen year period. We are however five years into the funding profile before the bulk of the spend is incurred so the anticipated amount to be borrowed will be less than originally anticipated. The Authority will need to accommodate the interest payments on this borrowing.

6.28. The Pentre Awel development also provides for an assisted housing development programme and a wider housing programme within Zones 2 and 3, which will be self funded.

6.29. The County Council will also have an input into other regional projects delivered by the Swansea Bay City Region, which includes Digital Infrastructure and Skills & Training (mainly a revenue programme). The county council is the lead body for these two projects. It will have an input benefit from the Homes as Power Stations project which is led by Neath Port Talbot. Given that these programmes are part of the SBCR governance, they are not included within this capital programme.

7. WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015

7.1. In considering the capital programme, members need to take into consideration the requirements of the Well-being of Future Generations (Wales) Act 2015. The Act requires the public bodies to carry out development sustainably, improving the economic, social, environmental and cultural well-being of Wales.

‘... the public body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs’

7.2. In doing so, we must demonstrate the following five ways of working:

- i. Looking at the long-term so that we do not compromise the ability of future generations to meet their own needs
- ii. Understanding the root causes of issues to prevent them recurring
- iii. Taking an integrated approach so that we look at all well-being goals and objectives of other services and partners

- iv. Working with others in a collaborative way to find shared sustainable solutions
- v. Involving a diversity of population in decisions that affect them

7.3. The act identifies seven well-being goals and provide a shared vision for public bodies to work towards. We must work towards achieving all of them.

- i. A prosperous Wales
- ii. A resilient Wales
- iii. A healthier Wales
- iv. A more equal Wales
- v. A Wales of cohesive communities
- vi. A Wales of vibrant culture and thriving Welsh Language
- vii. A globally responsible Wales

7.4. Our well-being objectives are designed to maximise our contribution to achieving the seven well-being goals of the Act.

Our Corporate Strategy was revised for 2022-27. Our revised Well-Being objectives are:

7.4.1 Enabling our children and young people to have the best possible start in life (Start Well)

7.4.2 Enabling our residents to live and age well (Live & Age Well)

7.4.3 Enabling our communities and environment to be healthy, safe and prosperous (Prosperous Communities)

7.4.4 To further modernise and develop as a resilient and efficient Council (Our Council)

7.5. All projects within the programme have been assesses and scored with the five ways of working, the seven goals and our corporate well-being statement in mind.

8.

SUMMARY

The table below gives a breakdown of the expenditure by departments and the sources of funding.

CAPITAL PROGRAMME SUMMARY						
	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Expenditure</u>						
Community Services	4,192	2,000	2,500	2,500	2,500	13,692
Place and Infrastructure	17,002	17,624	2,434	2,267	4,197	43,524
Education & Children	29,493	20,857	6,214	6,214	1,500	64,278
Chief Executive	5,339	4,237	4,745	3,460	3,670	21,451
Regeneration	30,904	12,863	2,201	2,000	2,000	49,968
Total Expenditure	86,930	57,581	18,094	16,441	13,867	192,913
<u>Grants and Contributions</u>						
External Funding	36,556	27,127	3,714	3,714	650	71,761
Net Expenditure Funded by CCC	50,374	30,454	14,380	12,727	13,217	121,152
<u>CCC Funding</u>						
Non-hypothecated Supported Borrowing	5,905	5,905	5,905	5,905	5,905	29,525
Unsupported Borrowing	15,457	10,041	-900	-370	500	24,728
Prudential Borrowing - Fleet	5,786	2,758	208	241	2,171	11,164
General Capital Grant	6,065	6,065	6,065	6,065	6,065	30,325
Capital Reserves	14,025	4,404	500	0	0	18,929
Capital Receipts	436	765	2,112	1,187	0	4,500
Direct Revenue Funding	2,700	516	490	16	16	3,738
Total Internal Funding	50,374	30,454	14,380	13,044	14,657	122,909
Overall Net Position:						
Surplus + / Deficit (-)	0	0	0	317	1,440	1,757

- 8.1. To summarise the overall position, all approved projects within the capital programme are fully funded for the five years from 2024/25 to 2028/29, however, not all available funding is committed at this time in order to give us flexibility to deal with future cost pressures or urgent works which may arise.
- 8.2. The total cost of the programme is £192.9m of which £71.8m is funded by external grants and contributions.
- 8.3. The total amount of unallocated funding is £1.75m.
- 8.4. The full detail of the proposed five-year capital programme is attached in Appendix A.

9. REVENUE IMPLICATIONS

9.1. The revenue budget strategy in 2024/25 allows for a £400k increase in the revenue budget implications of the capital programme.

10. RECOMMENDATIONS

That Cabinet consider and recommend to County Council:

10.1. The five-year Capital Programme and funding as detailed in Appendix A, with 2024/25 being a hard budget and 2025/26 to 2028/29 soft/indicative budgets.

10.2. That the programme be reviewed, as is usual, if predicted external or county council funding does not materialise.

10.3. That the Capital Strategy in Appendix C be approved.

10.4. That Cabinet/County Council delegates to the Director of Corporate Services, in consultation with the Chief Executive, Leader and Cabinet Member for Resources, to make any amendments necessary as a consequence of the WG final settlement due on 27th February 2024.

Mae'r dudalen hon yn wag yn fwriadol

Capital Programme																		
Capital Project 2024/25-2028/29	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2024/25:2028/29		
COUNCIL FUND	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2024/25			2025/26			2026/27			2027/28			2028/29			Five Year Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMUNITIES																		
<i>Private Sector Housing</i>																		
Disabled Facility Grants	2,300	0	2,300	2,000	0	2,000	2,500	0	2,500	2,500	0	2,500	2,500	0	2,500	11,800	0	11,800
<i>Culture</i>																		
Oriel Myrddin	1,084	336	1,420	0	0	0	0	0	0	0	0	0	0	0	0	1,084	336	1,420
<i>Country Parks</i>																		
Pembrey Country Park - Amenity Block SPF	0	472	472	0	0	0	0	0	0	0	0	0	0	0	0	0	472	472
Total Communities	3,384	808	4,192	2,000	0	2,000	2,500	0	2,500	2,500	0	2,500	2,500	0	2,500	12,884	808	13,692
Total Communities Excluding HRA	3,384	808	4,192	2,000	0	2,000	2,500	0	2,500	2,500	0	2,500	2,500	0	2,500	12,884	808	13,692

Capital Programme

Capital Project 2024/25-2028/29	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2024/25:2028/29		
	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2024/25			2025/26			2026/27			2027/28			2028/29			Five Year Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PLACE and INFRASTRUCTURE																		
Countryside																		
Byways	16	0	16	16	0	16	16	0	16	16	0	16	16	0	16	80	0	80
Rights of Way Improvement Programme	50	0	50	50	0	50	50	0	50	50	0	50	50	0	50	250	0	250
Coastal and Flood Defence			0			0			0			0			0			0
Flood Mitigation	400	0	400	400	0	400	200	0	200	0	0	0	0	0	0	1,000	0	1,000
Fleet Management - Prudential Borrowing			0			0			0			0			0			0
Fleet Replacement - Highways General	73	0	73	48	0	48	0	0	0	46	0	46	66	0	66	233	0	233
Fleet Replacement - Highways Gritters	2,560	0	2,560	0	0	0	0	0	0	0	0	0	0	0	0	2,560	0	2,560
Fleet Replacement - Grounds	442	0	442	43	0	43	186	0	186	155	0	155	161	0	161	987	0	987
School and Social Care Mini Buses and vehicles	454	0	454	0	0	0	0	0	0	0	0	0	988	0	988	1,442	0	1,442
Fleet Replacement - Other	132	0	132	0	0	0	22	0	22	0	0	0	77	0	77	231	0	231
Waste Management																		
Loan to Cwm for Recycling Centre Development	5,000	0	5,000	5,000	0	5,000	0	0	0	0	0	0	0	0	0	10,000	0	10,000
Refuse Vehicles replacement	2,125	1,685	3,810	62	0	62	0	0	0	40	0	40	879	0	879	3,106	1,685	4,791
Decarbonisation of Refuse and Recycling Collection Electric Vehicles	0	0	0	2,605	7,395	10,000	0	0	0	0	0	0	0	0	0	2,605	7,395	10,000
Infrastructure			0			0			0			0			0			0
Multi Storey Car Park, Llanelli	60	0	60	60	0	60	60	0	60	60	0	60	60	0	60	300	0	300
Highways	2,000	0	2,000	600	0	600	600	0	600	600	0	600	600	0	600	4,400	0	4,400
Highways Drainage	250	0	250	250	0	250	250	0	250	250	0	250	250	0	250	1,250	0	1,250
Bridges and Structures	400	0	400	400	0	400	400	0	400	400	0	400	400	0	400	2,000	0	2,000
Street Lighting Replacement & Upgrade	400	0	400	400	0	400	400	0	400	400	0	400	400	0	400	2,000	0	2,000
Transportation																		
Road Safety Improvement Schemes	250	0	250	250	0	250	250	0	250	250	0	250	250	0	250	1,250	0	1,250
Public Transport Infrastructure																		
Tywi Valley Path - Levelling Up Fund	0	0	0	45	0	45	0	0	0	0	0	0	0	0	0	45	0	45
Place																		
Decarbonisation Measures	250	0	250	0	0	0	0	0	0	0	0	0	0	0	0	250	0	250
Decarbonisation - Heat Pumps for Schools	45	410	455	0	0	0	0	0	0	0	0	0	0	0	0	45	410	455
Total Place and Infrastructure	14,907	2,095	17,002	10,229	7,395	17,624	2,434	0	2,434	2,267	0	2,267	4,197	0	4,197	34,034	9,490	43,524

Capital Programme																		
Capital Project 2024/25-2028/29	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2024/25:2028/29		
COUNCIL FUND	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2024/25			2025/26			2026/27			2027/28			2028/29			Five Year Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EDUCATION & CHILDREN																		
<i>Modernising Education Programme</i>																		
<i>Schools: General Projects</i>																		
Non MEP Education Works - Equalities Works, Mobiles, H&S etc	500	0	500	500	0	500	500	0	500	500	0	500	500	0	500	2,500	0	2,500
Glanymor Bus Bays	250	0	250	0	0	0	0	0	0	0	0	0	0	0	0	250	0	250
Aman Valley Bus Bays	300	0	300	0	0	0	0	0	0	0	0	0	0	0	0	300	0	300
Bro Myddyn Onsite traffic management issues	100	0	100	0	0	0	0	0	0	0	0	0	0	0	0	100	0	100
Aman Valley Safeguarding access	200	0	200	0	0	0	0	0	0	0	0	0	0	0	0	200	0	200
<i>Sustainable Communities for Learning Match Funding</i>																		
Sustainable Communities for Learning Delivery Fund	9,850	18,293	28,143	7,125	13,232	20,357	2,000	3,714	5,714	2,000	3,714	5,714	350	650	1,000	21,325	39,603	60,928
Total Education & Children	11,200	18,293	29,493	7,625	13,232	20,857	2,500	3,714	6,214	2,500	3,714	6,214	850	650	1,500	24,675	39,603	64,278

Capital Programme																		
Capital Project 2024/25-2028/29	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2024/25:2028/29		
COUNCIL FUND	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2024/25			2025/26			2026/27			2027/28			2028/29			Five Year Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CHIEF EXECUTIVE																		
<i>Property</i>																		
Rural Estate Infrastructure	300	0	300	200	0	200	0	0	0	0	0	0	0	0	0	500	0	500
Capital Maintenance	3,246	0	3,246	3,072	0	3,072	3,000	0	3,000	3,000	0	3,000	3,000	0	3,000	15,318	0	15,318
Tŷ Elwyn	1,400	0	1,400	0	0	0	0	0	0	0	0	0	0	0	0	1,400	0	1,400
<i>ICT</i>																		
Digital Transformation	200	0	200	200	0	200	200	0	200	200	0	200	200	0	200	1,000	0	1,000
Critical Digital Infrastructure, Systems and Security	193	0	193	765	0	765	1,545	0	1,545	260	0	260	470	0	470	3,233	0	3,233
PSBA Network	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Strategic Digital Initiatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Information Security and Governance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virtualised Server & Storage Environment Replacement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UPS 15KVA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Voice Infrastructure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HWB for Schools Infrastructure Grant		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Business Critical Infrastructure & Strategic ICT Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Chief Executive	5,339	0	5,339	4,237	0	4,237	4,745	0	4,745	3,460	0	3,460	3,670	0	3,670	21,451	0	21,451

Capital Programme																		
Capital Project 2024/25-2028/29	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2024/25:2028/29		
COUNCIL FUND	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2024/25			2025/26			2026/27			2027/28			2028/29			Five Year Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
REGENERATION																		
Regeneration Schemes Match Funding	0	0	0	0	0	0	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000	6,000	0	6,000
Town Centres																		
Carmarthen Hub - Fit-out	0	0	0	201	0	201	201	0	201	0	0	0	0	0	0	402	0	402
Levelling Up Projects																		
Carmarthen Hub - Levelling Up Fund	2,500	0	2,500	2,093	0	2,093	0	0	0	0	0	0	0	0	0	4,593	0	4,593
Llanelli Town Centre - Levelling Up Fund	0	9,000	9,000	2,500	6,500	9,000	0	0	0	0	0	0	0	0	0	2,500	15,500	18,000
Shared Prosperity Fund (SPF) - Strategic Project and 3rd Party Grant	0	5,480	5,480	0	0	0	0	0	0	0	0	0	0	0	0	0	5,480	5,480
Swansea Bay City Region Projects																		
City Deal - Pentre Awel Wellness Project	13,044	880	13,924	1,569	0	1,569	0	0	0	0	0	0	0	0	0	14,613	880	15,493
Total Regeneration	15,544	15,360	30,904	6,363	6,500	12,863	2,201	0	2,201	2,000	0	2,000	2,000	0	2,000	28,108	21,860	49,968
Total Council Fund Excluding HRA	50,374	36,556	86,930	30,454	27,127	57,581	14,380	3,714	18,094	12,727	3,714	16,441	13,217	650	13,867	121,152	71,761	192,913
Net Funding Position - Surplus / (Shortfall)	0	0	0	0	0	0	-0	0	-0	317	0	317	1,440	0	1,440	1,757	0	1,757

* N.B. Some external funding shown may be subject to final approval from the relevant funding body.

Capital Programme

Capital Project 2024/25-2028/29	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2024/25:2028/29		
	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2024/25			2025/26			2026/27			2027/28			2028/29			Five Year Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sources of Funding																		
Borrowing: PWLB	21,661	0	21,661	18,704	0	18,704	5,213	0	5,213	5,776	0	5,776	8,576	0	8,576	59,930	0	59,930
Borrowing: Non PWLB	5,487	0	5,487	0	0	0	0	0	0	0	0	0	0	0	0	5,487	0	5,487
Capital Receipts	436	0	436	765	0	765	2,112	0	2,112	1,187	0	1,187	0	0	0	4,500	0	4,500
Reserves / Revenue	16,725	0	16,725	4,920	0	4,920	990	0	990	16	0	16	16	0	16	22,667	0	22,667
Highways & Transport Grants		2,095	2,095		7,395	7,395		0	0		0	0		0	0	0	9,490	9,490
Economic Development Grants		15,360	15,360		6,500	6,500		0	0		0	0		0	0	0	21,860	21,860
Education Grants		18,293	18,293		13,232	13,232		3,714	3,714		3,714	3,714		650	650	0	39,603	39,603
Other Grants & Funding	6,065	808	6,873	6,065	0	6,065	6,065	0	6,065	6,065	0	6,065	6,065	0	6,065	30,325	808	31,133
Total Capital Programme Funding	50,374	36,556	86,930	30,454	27,127	57,581	14,380	3,714	18,094	13,044	3,714	16,758	14,657	650	15,307	122,909	71,761	194,670
Net Funding Position - Surplus / (Shortfall)	0	0	0	0	0	0	-0	0	-0	317	0	317	1,440	0	1,440	1,757	0	1,757

Summary of Expenditure by Services																		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Public Housing																		
Private Housing	2,300	0	2,300	2,000	0	2,000	2,500	0	2,500	2,500	0	2,500	2,500	0	2,500	11,800	0	11,800
Culture & Leisure	1,084	808	1,892	0	0	0	0	0	0	0	0	0	0	0	0	1,084	808	1,892
Transportation, Infrastructure & Municipal	14,612	1,685	16,297	10,229	7,395	17,624	2,434	0	2,434	2,267	0	2,267	4,197	0	4,197	33,739	9,080	42,819
Economic Development	15,544	15,360	30,904	6,363	6,500	12,863	2,201	0	2,201	2,000	0	2,000	2,000	0	2,000	28,108	21,860	49,968
Education & Children	11,200	18,293	29,493	7,625	13,232	20,857	2,500	3,714	6,214	2,500	3,714	6,214	850	650	1,500	24,675	39,603	64,278
Property	5,241	410	5,651	3,272	0	3,272	3,000	0	3,000	3,000	0	3,000	3,000	0	3,000	17,513	410	17,923
ICT	393	0	393	965	0	965	1,745	0	1,745	460	0	460	670	0	670	4,233	0	4,233
Total Capital Expenditure by Service	50,374	36,556	86,930	30,454	27,127	57,581	14,380	3,714	18,094	12,727	3,714	16,441	13,217	650	13,867	121,152	71,761	192,913

Summary of Expenditure by Department																		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Services	3,384	808	4,192	2,000	0	2,000	2,500	0	2,500	2,500	0	2,500	2,500	0	2,500	12,884	808	13,692
Place and Infrastructure	14,907	2,095	17,002	10,229	7,395	17,624	2,434	0	2,434	2,267	0	2,267	4,197	0	4,197	34,034	9,490	43,524
Education & Children	11,200	18,293	29,493	7,625	13,232	20,857	2,500	3,714	6,214	2,500	3,714	6,214	850	650	1,500	24,675	39,603	64,278
Chief Executive	5,339	0	5,339	4,237	0	4,237	4,745	0	4,745	3,460	0	3,460	3,670	0	3,670	21,451	0	21,451
Regeneration including City Deal	15,544	15,360	30,904	6,363	6,500	12,863	2,201	0	2,201	2,000	0	2,000	2,000	0	2,000	28,108	21,860	49,968
Total Capital Expenditure By Department	50,374	36,556	86,930	30,454	27,127	57,581	14,380	3,714	18,094	12,727	3,714	16,441	13,217	650	13,867	121,152	71,761	192,913

External Grants	0	36,556	36,556	0	27,127	27,127	0	3,714	3,714	0	3,714	3,714	0	650	650	0	71,761	71,761
Net CCC Funding	50,374	0	50,374	30,454	0	30,454	14,380	0	14,380	12,727	0	12,727	13,217	0	13,217	121,152	0	121,152

**EXTRACT FROM DRAFT MINUTES OF
CORPORATE PERFORMANCE & RESOURCES
SCRUTINY COMMITTEE
WEDNESDAY, 31ST JANUARY 2024**

6. FIVE YEAR CAPITAL PROGRAMME (COUNCIL FUND) 2024/25 TO 2028/29

The Cabinet Member for Resources presented the 5-year capital programme which provided an initial view of the 5-year Capital Programme from 2024/25 to 2028/29. The report formed the basis of the budget consultation process with members and other relevant parties and any feedback, along with the final settlement and would inform the final budget report which would be presented to Cabinet, and in turn to Council in February 2024.

The proposed gross expenditure on the capital programme for 2024/25 is £86.680m with the projected funding being £50.124m from the county council's own resources through the application of borrowing, reserves, direct revenue financing, capital receipts and general capital grant, with the balance of £36.556m coming from external sources.

Whilst the new capital programme is fully funded over the five years, it was proposed to under commit some of the available funding to give flexibility across the programme to cover any unexpected additional costs on approved projects. It does not include any funding relating to ongoing projects in the current year which may slip at the end of the financial year into the 2024/25 programme.

The Capital Programme aims to deliver a number of key projects that will create jobs and improve the quality of life for the people of Carmarthenshire. Decarbonisation is a priority for the Authority and design briefs for new projects will include an emphasis on carbon efficiency.

The Committee praised officers for a clear, ambitious Capital Investment Programme.

Amongst the issues raised during consideration of the report were the following:

- In response to a query on how steady the funding from the Welsh Government was, officers were confident that the figures provided would remain constant, as they're based on population figures.
- it was noted that flood mitigation would need to be considered in years 3 and 4 budget.

RESOLVED that the Five-Year Capital Programme 2024/25 – 2028/29 be endorsed.

Note: These minutes are subject to confirmation at the next meeting.

Mae'r dudalen hon yn wag yn fwriadol

CAPITAL STRATEGY

2024 - 2025

carmarthenshire.gov.wales

Cyngor **Sir Gâr**
Carmarthenshire
County Council



Tudalen 137

CAPITAL STRATEGY 2024-25

PURPOSE AND AIMS

The Prudential Code for Capital Finance in Local Authorities was updated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2021.

This Code dictates that “authorities should have in place a capital strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.”

The Capital Strategy shows how this Council makes capital expenditure and investment decisions in line with service objectives and properly takes account of:

- Stewardship / good professional practice
- Value for money
- Prudence / risks considered
- Sustainability
- Affordability

It sets out a framework for the self-management of capital finance and examines the following areas:

- Capital expenditure and investment plans
- Treasury Management
- Prudential Indicators
- Commercial activity
- Knowledge and skills

The above considerations help to support local strategic planning, local asset management planning and effective option appraisal.

Through this Capital Strategy elected members and other stakeholders will see how future capital expenditure, capital financing and treasury management activities will contribute to the provision of services, together with a

summary of how associated risks are managed and the implications for future financial sustainability. It also highlights the governance framework required to ensure the Strategy is delivered.

ECONOMIC BACKGROUND

It is important to set out the external environment in which Carmarthenshire County Council is currently operating. One of the key factors that impact directly on the capital programme is the reduced revenue funding for local government. Owing to the pressure on public finances, the funds allocated from the Welsh Government to this council to run its services is substantially lower than in recent years. Carmarthenshire will continue to identify, plan, fund and invest longer term in non-current assets to help the council deliver departmental strategies and wider plans.

CARMARTHENSHIRE'S STRATEGIC RESPONSE

In considering capital implications, the authority takes into consideration the requirements of the Wellbeing of Future Generations (Wales) Act 2015. The Act requires that we must carry out sustainable development, improving the economic, social environmental and cultural well-being of Wales. The Act requires us to look at the long-term prevention of recurring problems, integrating our approach, collaborating with others, and involving stakeholders. Carmarthenshire's Well Being objectives have a direct impact on the Council Capital Strategy. Some of these include:

- Start Well - help to give every child the best start in life and improve their early life experience
- Live Well - increase the availability of rented and affordable homes
- Age Well - support the growing numbers of older people to maintain dignity and independence in their later years

- In a Healthy and Safe Environment - improve the highway and transport infrastructure and connectivity

This Capital Strategy supports Carmarthenshire's Well-being Objectives. Consideration is also increasingly given to the authority's Corporate Vision and Net Zero Carbon Plan.

WHAT IS CAPITAL EXPENDITURE?

Capital expenditure is expenditure on non-current assets such as Property, Plant and Equipment, Investment Properties and Heritage Assets. This would include the acquisition or construction of new assets, together with any subsequent expenditure on major upgrades or development work to those assets.

Expenditure which adds to and does not merely maintain the value of an existing asset, should be treated as capital, if it yields benefits to the authority and the services it provides for a period of more than one year.

Capital expenditure is defined by legislation as:

- the acquisition, reclamation, enhancement or laying out of land,
- the acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures,
- the acquisition, installation, or replacement of moveable or immovable plant,
- machinery, apparatus, vehicles and vessels.

An understanding of what constitutes capital expenditure is fundamental to realising the benefits that an authority can obtain under the Prudential framework. Unless expenditure qualifies as capital it will normally fall outside the scope of the framework and be charged to revenue in the period that the expenditure is incurred. If expenditure meets the definition of capital, there may be opportunities to finance the outlay from capital receipts (funds raised

from the sale of surplus assets e.g., a former school site) or by spreading the cost over future years' revenues (i.e., through Minimum Revenue Provision).

CARMARTHENSIRE'S APPROACH TO CAPITAL INVESTMENT

A [Managing Capital](#) procedure document has been adopted as a policy for the Authority. Within this document Carmarthenshire's approach to capital investment is conveyed. A sub-strategy that feeds into the Authority's overall Corporate Strategy is the Capital Programme. The Programme is closely linked to various other sub-strategies such as the Corporate Asset Management Plan, Local Transport Plan, Digital Transformation Strategy, and the Service Departments' Business Plans. The 'Managing Capital' document explains that the aim is to deliver projects and outputs that meet the set objectives. The Capital Programme is prepared and approved on a five-year forward plan basis to:

- Provide a detailed implementation plan to enable the high-level objectives to be realised,
- Provide a financial commitment to allow enough time to adequately plan,
- design and implement future schemes and projects,
- Provide an overview of the likely future commitments arising from current schemes.

Carmarthenshire's Capital Strategy defines and outlines its approach to capital investment and is fundamental to the Council's financial planning processes. It aims to ensure that:

- Capital expenditure contributes to the achievement of the Council's strategic plan,
- An affordable and sustainable capital programme is delivered,
- Use of resources and value for money is maximised,

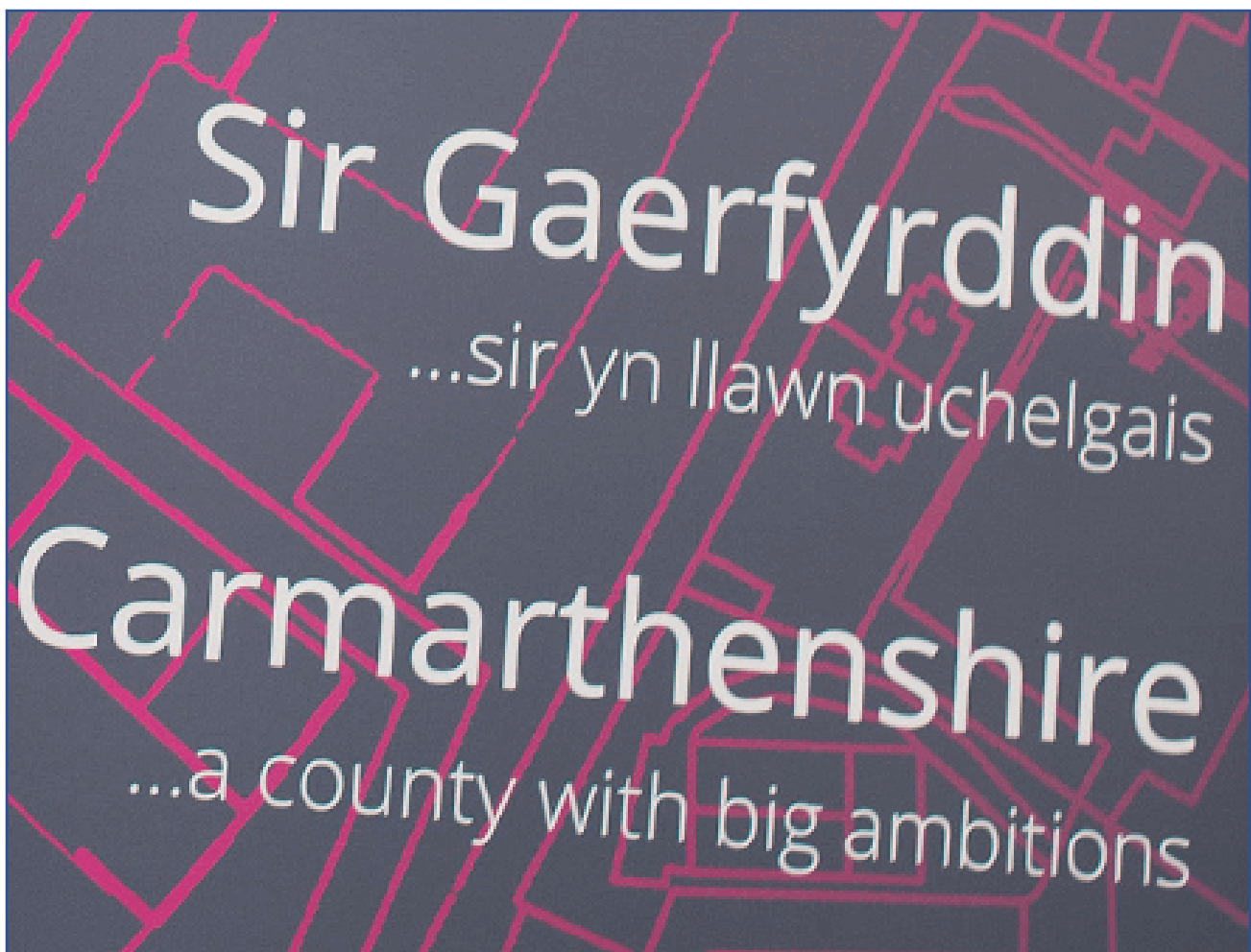
- A clear framework for making capital expenditure decisions is provided,
- A corporate approach to generating capital resources is established,
- Access to enough long-term assets to provide services are acquired and retained,
- Invest to Save initiatives to make efficiencies within the Council's revenue budget are encouraged,
- An appraisal and prioritisation process for new schemes is robust.

GOVERNANCE FRAMEWORK

It is important, given the risks surrounding Capital Projects, that the appropriate Governance framework is in place:

Capital Programme Approvals

All capital expenditure must be carried out in accordance with the financial regulations. The expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards. The Capital Programme approved by Full Council as part of the Council's annual budget report sets the capital funding availability for the Council, the prioritisation of funding and the schemes receiving entry into the Capital Programme. All schemes are formally approved for inclusion in the capital programme by following a process set out in the financial regulations. Officers are not authorised to commit expenditure without prior formal approval as set out in the financial regulations. Each scheme must be under the control of a responsible person/project manager.



How it all works



This Strategy is intended to maximise the financial resources available for investment in service provision and improvement within the framework of the Medium-Term Financial Plan. Whilst at the same time ensuring that each business case has a robust self-sustaining financial model that delivers on the wider outcomes of the strategy.

Sources of Funding



Capital Programme



Overview of General Fund Capital Programme

Capital Budgets by Department:	2024/25 £'000	2025/26 £'000	2026/27 £'000
Communities	4,192	2,000	2,500
Place and Infrastructure	17,002	17,624	2434
Education & Children	29,493	20,857	6,214
Chief Executive	5,339	4,237	4,745
Regeneration	16,980	11,294	2,201
City Deal Projects	13,924	12,863	0
Total Budget	86,930	57,581	18,094

Financed by:	2024/25 £'000	2025/26 £'000	2026/27 £'000
Borrowing	27,148	18,704	5,013
Unhypothecated General Capital Grants	6,065	6,065	6,065
External Grants & Contributions	36,556	27,127	3,714
Reserves	14,025	4,404	500
Direct Revenue Financing	2,700	516	490
Capital Receipts	436	765	2,112
Total Funding	86,930	57,581	18,094

OUR PRIORITIES

Cabinet have set out their aspirations for Carmarthenshire in ta Cabinet Vision Statement 2022-2027. The capital programme has been developed and approved to support this vision for the future.

Carmarthenshire's Sustainable Communities for Learning

Modernising schools building through our Sustainable Communities for Learning programme is the flagship policy which has seen over £200million invested to date in the building of new schools and upgrading others, with a further commitment to fund future investments.

Health & Wellbeing

Improving the health and wellbeing of residents is a key aspiration and to this end we are committed to delivering:

- A new leisure centre for Llanelli as part of the Swansea Bay City Deal Pentre Awel Wellness Project, and a new 4G Pitch in Ammanford.

- Developing a new Working and Cycling Path from Carmarthen to Llandeilo along the former railway line. A major investment which will bring significant benefits to the rural economy in the medium to long-term and improvements in health and wellbeing for residents. We aspire to develop further projects of this type.

Reviewing our Estate and Better ways of Working

A desire to embrace and compound new ways of working, will enable us to make the best use of resources and identify any redundant assets that could be sold; raising income from capital receipts to fund strategic capital projects.

Helping Local Businesses

Many businesses have seen a downturn in fortunes in recent years. A dedicated economic stimulus and business support package together with wider regeneration funding, will boost local economies. It includes specific investment in a growth plan for our smaller ten satellite towns.

Decarbonisation

In a commitment to future generations, we will see decarbonisation measures rolled out across our built estate and our Fleet. Grant funding is also made available for local business to embrace renewable energy. We will also see growing investments in electric car charging infrastructure across the county.

Highways

The economic prosperity of our towns is enhanced by improvements to road infrastructure.

The Cross Hands economic distributor road coupled with associated developments at the Cross Hands strategic employment site will boost the economy in the Gwendraeth Valley.

The longer-term plans for the development of the Ammanford distributor road will improve traffic flows and enhance retail investment opportunities.

Digital Transformation

Information Communication Technology (ICT) is crucial to our future ways of working. Our digital transformation programme aims to ensure that Carmarthenshire services are fit for purpose in the digital age. The county will also benefit from the rollout of enhanced regional connectivity as part of investments by the Swansea Bay City Region.

Housing

Carmarthenshire's Housing Revenue Account Business Plan 2024-2027 details the Council's priorities, plans and actions for council housing in Carmarthenshire for the future years. The plan covers all housing services and assets in the Housing Revenue Account (HRA). The purpose of this Plan is to explain the vision and detail of our Housing Investment Programme, and what it means for tenants. Maintaining and delivering the new 'Welsh Housing Quality Standard' (WHQS) is a statutory duty which Carmarthenshire exceeds by maintaining our Carmarthenshire Homes Standard+. Providing more affordable homes has always been important to us, but now with the cost-of-living crisis and the steep rise in homelessness it is more important than ever. We have already delivered over 1,600 additional homes and our new development programme will support the delivery of a further 2,000 homes, supporting the regeneration of our town centres, rural towns and villages and our major regeneration sites including the Transforming Tyisha programme. We have also accelerated our buying private sector homes programme and remodelled some of our existing stock, helping to increase supply quickly meeting the needs of some of our most vulnerable individuals and families.

In addition, the Council plans to continue to invest over £61m in maintaining tenants' homes over the next three years.

- The Council recognises the importance of strategic asset management in providing the foundation for its investment plans so within

the HRA Business Plan has highlighted five key themes for future investment:

- Supporting tenants & residents
- Providing more affordable homes.
- Decarbonising our stock and services
- Investing in our homes & our estates.

HRA CAPITAL SPENDING AND FUNDING

HRA Capital Budgets:	2024/25 £'000	2025/26 £'000	2026/27 £'000
Support Tenant and Residents	2,920	3,000	3,350
Provide more affordable homes	17,405	17,886	16,840
Affordable Warmth & Decarbonisation	5,789	6,542	7,818
Investing in Homes maintaining CHS+	10,090	10,707	10,907
TOTAL	36,204	38,1352	38,915

Financed by:	2024/25 £'000	2025/26 £'000	2026/27 £'000
Welsh Government Grant-MRA	6,225	6,225	6,225
Welsh Government Grant - Other	9,308	10,970	12,334
Direct Revenue Financing	5,000	5,000	5,000
Capital Receipts	0	0	11,625
Borrowing	15,671	15,940	3,731
TOTAL	36,204	38,135	38,915

TREASURY MANAGEMENT

The Council produces a Treasury Management Policy and Strategy which is approved by full Council annually as part of the budget setting process. There are close links between the Capital Strategy and Treasury Management Strategy.

The capital programme determines the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

PRUDENTIAL INDICATORS

Under the Local Government Act 2003 and the Prudential Code for Capital Finance in Local Authorities (revised in 2021), local authority capital spending and its borrowing to fund that spending is limited by what is affordable, prudent and sustainable. The Prudential Code sets out several indicators that enables the authority to assess affordability and prudence.

These indicators are included in the annual Treasury Management Policy and Strategy.

COMMERCIAL ACTIVITY

Our commercial portfolio consists of a variety of asset types, namely: Retail Units, Industrial Estates, Farms, Ground leases and Provision & livestock Markets. The portfolio generates revenue through rental receipts with opportunities to enhance income through rent reviews and renewals depending on the terms of each agreement. The Council has 20 Industrial estates located around the County with a total of around 400 units, together with 26 farms, 2 Provisions markets and 3 Livestock Markets. There are 104 Ground leases and Retail units (other than those forming part of the provisions markets).

In addition to generating a commercial return the portfolios meet corporate objectives of encouraging and supporting business and employment development, rural initiatives and town centre regeneration. In many instances the support of these broader aims is as important and income generation, and it's the Council's role to balance commercial returns with economic development objectives and corporate priorities.

Each portfolio will be managed uniquely considering its objectives; however, the underlying principle is that the Council makes the best use of its resources by increasing returns wherever possible, taking on board wider corporate priorities.

RISK APPETITE

Risk appetite can be thought of as the amount of risk an organisation is willing to accept, tolerate or be exposed to, in pursuit of its strategic and organisational objectives. The Council recognises that its appetite for different types of risks will vary and needs to reflect both its capability and its ability to exercise control.

By virtue of its statutory responsibilities for public services and associated functions, the Council often has limited choice in whether to accept or tolerate risk. Clearly there are some types of risks where the Council's tolerance will be extremely low, or risk averse, for example, those that could:

- Endanger the safety of service users, employees, members or the general public
- Damage the Council's reputation or financial standing
- Lead to breaches of laws and/or regulations
- Threaten the future operations of the Council.

In some circumstances, the Council is willing to accept a different level or type of risk in pursuit of its strategic objectives. For example, capital schemes typically invoke risks such as achievement of timescales and financial

targets, management of contractors and satisfaction of service requirements.

In other areas, the Council's appetite for risk has evolved in response to the changing and challenging environment in which local government now operates. For example, in response to reductions in central government funding, the Council has been willing to consider commercial income generating ventures and invest to save proposals in addition to service reductions and efficiencies to secure financial stability.

It is not possible to articulate the Council's appetite for every form of risk it may encounter or to predetermine which risks are acceptable or not acceptable. Instead, this strategy aims to inform and strengthen the decision-making process, to ensure that:

- Risks, as well as benefits and opportunities, are always considered, identified, and reported.
- Risks are assessed and recorded consistently, in accordance with the Council's risk management methodology.
- Proposals which are likely to involve higher or more challenging levels of risk, such as creation of new partnerships, investments in major projects, or commercial activities, are subject to a robust and detailed risk appraisal process.
- Risks which are likely to impact the achievement of one or more corporate objectives or to carry significant financial implications are escalated to the senior management team and the Cabinet for review and approval.
- Exposure to risks for which the Council's tolerance is low, such as the examples given above, is minimised.

REVENUE IMPLICATIONS

Serious consideration is given to the implications a project will have on the revenue budget, both in the short and long term. It may be that a scheme may produce savings in terms of ongoing maintenance in some instances. In other cases, the scheme may enhance the level of service to our customers but could add to the maintenance requirements of the service in the long term, particularly in the case of additional assets. There may be a need to provide additional resources such as finance, personnel, property, or ITC equipment, or there may be efficiency savings.

KNOWLEDGE AND SKILLS

The Capital and Treasury Management functions are managed by a team of professionally qualified accountants with extensive Local Government finance experience between them. They all follow a Continuous Professional Development Plan (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities and views the strategy to be prudent and affordable and fully integrated with the Council's Medium-Term Financial Plan, Treasury Management Strategy, and other Strategic Plans.

All the Council's commercial projects have project teams from all the professional disciplines from across the Council and when required external professional advice is taken. The Council Members are involved at a very early stage of a project's life cycle and internal and external training is offered to members on an annual basis to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance.

Mae'r dudalen hon yn wag yn fwriadol

CABINET

19 CHWEFROR 2024

POLISI RHEOLI'R TRYSORLYS A STRATEGAETH 2024-25

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

- Bod y Cabinet yn mynd ati'n ffurfiol i gymeradwyo Polisi a Strategaeth Rheoli'r Trysorlys 2024-25 a'r argymhellion sydd ynddynt.**
- Bod y Cabinet yn mynd ati'n ffurfiol i gymeradwyo Dangosyddion Rheoli'r Trysorlys, Dangosyddion Darbodus, y Datganiad MRP, y Strategaeth Fuddsoddi a'r argymhellion sydd ynddynt.**

Y Rhesymau:

Er mwyn cydymffurfio ag adolygiad Cod Darbodaeth CIPFA ac adolygiad Cod Ymarfer CIPFA o ran Rheoli'r Trysorlys 2021.

Ymgynghorwyd â'r pwyllgor craffu perthnasol DO

Pwyllgor Craffu Perfformiad Ac Adnoddau Corfforaethol 31 Ionawr 2024

Angen i'r Cabinet wneud penderfyniad OES

Angen i'r Cyngor wneud penderfyniad OES

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Cyng. A. Lenny

Y Gyfarwyddiaeth: Gwasanaeth
Corfforaethol

Cyfarwyddwr: Chris Moore

Awdur yr Adroddiad:
Anthony Parnell

Cyfarwyddwr
Gwasanaethau
Corfforaethol

Rheolwr Pensiwn a
Buddsodiadau
Gyllidol

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EXECUTIVE SUMMARY

CABINET

19 FEBRUARY 2024

TREASURY MANAGEMENT POLICY AND STRATEGY 2024-25

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

It is a requirement of the revised CIPFA Code of Practice on Treasury Management, which Council have adopted, that

1. The Council maintains a Treasury Management Policy which states the policies and objectives of the Authority's treasury management activities;

and

2. The Council approves a Treasury Management Strategy annually before the start of the financial year to which it relates.

In addition, under the Local Government Act 2003 the Council approves the Treasury Management Indicators for the coming year.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore** **Director of Corporate Services**

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Bio-diversity & Climate Change
YES	NONE	YES	NONE	NONE	NONE	NONE	YES

1. Policy, Crime & Disorder and Equalities

Council has adopted the revised CIPFA Code of Practice on Treasury Management, one of the requirements is that an annual Treasury Management Policy and Strategy be approved by Council before the commencement of the year to which it relates.

2. Legal

Under the Local Government Act 2003 and the revised CIPFA Code of Practice on Treasury Management, local authorities must set out their Treasury Management Indicators that relate to the Authority's capital spending and its borrowing.

3. Finance

The Treasury Management Policy and Strategy details the procedures that the Authority adheres to in managing its treasury management function.

Interest paid and earned has a direct impact on the Authority's Revenue Budget. The estimated projections are included in the Budget which is to be presented to Council on 28th February 2024.

8. Bio-diversity and Climate Change

Where possible, consideration will be given to the disclosure of long-term climate risks associated with investments, though with regard to treasury investments, any tangible information will be limited. Greater disclosure for non specified investments and loans to third parties may be appropriate depending on the type of activity.

CABINET MEMBER PORTFOLIO HOLDER AWARE/CONSULTED	YES
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**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
The Local Government Act 2003		County Hall, Carmarthen
Guidance issued by Welsh Government		County Hall, Carmarthen
Revised CIPFA Treasury Management Code of Practice and Cross-Sectoral Guidance Notes		County Hall, Carmarthen
Revised CIPFA Prudential Code for Capital Finance in Local Authorities		County Hall, Carmarthen

**MEETING OF THE CABINET
DATE: 19TH FEBRUARY 2024**

REPORT OF THE DIRECTOR OF CORPORATE SERVICES

TREASURY MANAGEMENT POLICY AND STRATEGY 2024-2025

A. INTRODUCTION

This Council carries out its treasury management activities in accordance with the Prudential Code of Practice first developed for public services in 2002 by the Chartered Institute of Public Finance and Accountancy (CIPFA). This Code was last revised in 2021. The Council also carries out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2021.

The revised Code identifies three key principles:

1. The Council should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
2. The Council's policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their Council. The Council's appetite for risk should form part of its annual strategy and should ensure that priority is given to security and liquidity when investing funds.
3. The Council should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible Councils to employ in support of their business and service objectives; and that within the context of effective risk management, the Council's treasury management policies and practices should reflect this.

B. CIPFA PRUDENTIAL CODE AND CIPFA TREASURY MANAGEMENT CODE OF PRACTICE

1. This Council has adopted the Revised CIPFA Prudential Code 2021 and the Revised CIPFA Treasury Management Code of Practice 2021.

The CIPFA Treasury Management Code of Practice 2021 stipulates that there should be Member scrutiny of the treasury policies, Member training and awareness and regular reporting.

The main objectives of the 2021 Codes are to ensure, within a clear framework, that the capital expenditure plans of local authorities are affordable and proportionate, that all borrowing liabilities are within prudent and sustainable levels, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.

The Council has adopted the four clauses shown in 1.1 as part of its financial procedure rules and the Corporate Performance and Resources Scrutiny Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies, before making recommendations to Council.

The policies and parameters within this report provide an approved framework within which the officers undertake the day-to-day treasury activities.

- 1.1 The four clauses adopted are:

- (1) This Council will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
 - Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- (2) The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

This Council will therefore receive reports on its treasury management policies, practices and activities, including an annual strategy in advance of the year, a mid year review report and a year end annual report, in the form prescribed in its TMPs. This treasury management policy and strategy report includes the prudential indicators (Appendix D) and the minimum revenue provision (MRP) policy (Appendix E).

- (3) This Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices, and the quarter 1 and quarter 3 monitoring reports to the Cabinet, and for the execution and administration of treasury management decisions to the Director of Corporate Services, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- (4) The Council nominates the Corporate Performance and Resources Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

1.2 **Treasury Management Practices (TMPs)**

The Schedule of TMPs is shown in Appendix A.

C. TREASURY MANAGEMENT POLICY

1. This Council defines its Treasury Management activities as:

The management of the Council's borrowing, investments and cash flows, its banking, money market and capital market transactions and the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

'Investments' in the definition above covers all the financial assets of the organisation, as well as other non-financial assets (including loans and other non-specified investments) which the organisation holds primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations. All investments require consideration of appropriate investment management and the risk management framework under this CIPFA Treasury Management Code of Practice 2021.

2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.

The key principle of control of risk and optimising returns consistent with the organisation's risk appetite should be applied across all investment activities, including more commercially based investments.

3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

This policy holds indefinitely until circumstances dictate that a change is necessary. Any changes must be done before the beginning of the financial year to which it relates, or in exceptional circumstances within the year if approved by Council.

It is the Director of Corporate Services responsibility to implement and monitor the Treasury Management Policy, revising and re-submitting the Policy for consideration to the Cabinet and the Council if changes are required.

D. TREASURY MANAGEMENT STRATEGY 2024-2025

1. INTRODUCTION

- 1.1 The Treasury Management Strategy provides details of the expected activities of the Treasury Management function in the financial year 2024-25.
- 1.2 The Council's financial procedure rules require an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming year. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. Further treasury reports will be produced during the year if the strategy needs updating and a year-end annual report on actual activity for the year.
- 1.3 The strategy covers:
 - Treasury Indicators and Limits on Activity
 - Prospects for interest rates
 - Borrowing Strategy
 - Investment Strategy
 - Debt Rescheduling and Premature Repayment of Debt
 - Performance Indicators
 - Treasury Management Advisers
 - Member and Officer Training

2. TREASURY INDICATORS AND LIMITS ON ACTIVITY

- 2.1 Under the Local Government Act 2003 and the Prudential Code for Capital Finance in Local Authorities 2021, local authority capital spending and its borrowing to fund that spending is limited by what is affordable, prudent and sustainable. The Prudential Code sets out a number of indicators that enables the authority to assess affordability and prudence. The Prudential Indicators that related to Treasury Management were reclassified as Treasury Indicators in recent revisions of the Codes and are:

- Upper Limit for Fixed Rate Exposure
- Upper Limit for Variable Rate Exposure
- Limits on the Maturity Structure of Borrowing
- Limits on Total Principal Sums Invested Long Term

The Prudential Code also requires that the total external debt does not exceed the Authorised Limit for external debt and only exceeds the Operational Boundary for external debt temporarily on occasions due to variation in cash flow. Full Council when approving the Budget sets the Authorised Limit and the Operational Boundary.

2.2 The Treasury Management Indicators for 2024-25 are:

2.2.1 Interest rate exposure limits for 2024-25 are estimated as follows:

Estimated Average Position for 2024-25			
	Fixed Interest Rate	Variable Interest Rate	Total
	£m	£m	£m
Borrowed	+472	+3	+475
Invested	(50)	(50)	(100)
Net Debt	+422	(47)	+375
Proportion of Total Net Debt	+113%	(13%)	+100%

It is recommended that the following maximum exposure limits are adopted:

	Fixed Interest Rate	Variable Interest Rate
Proportion of Total Net Debt	+150%	+5%

2.2.2 It is recommended that the following exposure limits for 2024-25, 2025-26 and 2026-27 are adopted:

Interest Rate Exposures	2024-25	2025-26	2026-27
	Upper	Upper	Upper
	£m	£m	£m
Limits on fixed interest rates based on net debt	538	556	547
Limits on variable interest rates based on net debt	54	56	55

2.2.3 It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowing as follows:

	Upper Limit	Lower Limit
Under 12 months	15%	0%
12 months to 2 years	15%	0%
2 years to 5 years	30%	0%
5 years to 10 years	30%	0%
10 years to 20 years	50%	0%
20 years to 30 years	50%	0%
30 years to 40 years	50%	0%
40 years and above	50%	0%

2.2.4 Maximum principal sums invested longer than 365 days:

	2024-25	2025-26	2026-27
	£m	£m	£m
Maximum principal sums invested longer than 365 days	20	20	20

3. PROSPECTS FOR INTEREST RATES

Based on the average projection from a number of sources we can expect the trend in the Bank Rate, set by the Monetary Policy Committee, over the next three years to be as follows:

	Current	2024-25	2025-26	2026-27
	%	%	%	%
Average Bank Rate	5.25	4.50	3.06	3.00

4. BORROWING STRATEGY 2024-25 – 2026-27

4.1 The current central forecast for interest rates reflects the view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least October 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness).

Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

In the upcoming months, forecasts will be guided by economic data releases, the imminent General Election and any changes announced as part of the spring budget. In addition clarifications from the MPC over its monetary policies and the Government over its fiscal policies, and international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

The long-term (beyond 10 years) forecast for Bank Rate remains at 3% and reflects Capital Economics’ research that suggests Artificial Intelligence (AI) and general improvements in productivity will be supportive of a higher neutral interest rate.

As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed Local Authority monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Bank Rate reductions for 2024 and later.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024-25 treasury operations. The Director of Corporate Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

The Director of Corporate Services, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above.

The option of delaying borrowing and utilising investment balances is likely to continue for the time being. However, this will be carefully reviewed to avoid incurring higher borrowing costs in later years due to an overall current trend of rising rates. This strategy reduces counterparty risk and hedges against any expected fall in investment returns.

The Council continues to maintain an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy.

The timing of any action is important, and the Director of Corporate Services and treasury advisers will monitor prevailing rates for any opportunities during the year.

The Council will be borrowing for the Carmarthenshire led projects within the Swansea Bay City Deal partnership and its core schemes within the capital programme from 2024-25 to 2026-27.

4.2 The Council's agreed policy is to raise funding only from the following:

- Public Works Loan Board (PWLB)
- Market Long-Term
- Market Temporary
- Local Authorities
- Overdraft
- Internal Capital Receipts and Revenue Balances
- Leasing
- Welsh Government and Central Government

4.3 Borrowing in advance of need

The Council has some flexibility to borrow funds in advance of future years.

The Director of Corporate Services may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Director of Corporate Services will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities.

Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 50% of the expected increase in borrowing needed (CFR) over the three-year planning period; and
- Not to borrow more than 12 months in advance of need.

Risks associated with any advance borrowing activity will be appraised in advance and subsequently reported through the quarterly reporting mechanism.

5. **INVESTMENT STRATEGY 2024-25 – 2026-27**

5.1 **INTRODUCTION**

5.1.1 The Investment Strategy has been prepared with due regard to:

The Local Government Act 2003

Regulations made under the Local Government Act 2003 (as amended)

2021 Revised Prudential Code for Capital Finance in Local Authorities

The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008

2021 Revised CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes

CIPFA Treasury Management Guidance Notes 2021

Welsh Government's Guidance on Local Government Investments ("the Guidance")

5.1.2 **Key Objectives**

The Council's investment strategy primary objectives are:

- safeguarding the repayment of the principal and interest of its investments on time
- ensuring adequate liquidity
- the investment return

The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite. In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs.

5.1.3 Risk Benchmarking

A development in the revised Codes and the WG Investment Guidance is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting, although the application of these is more subjective in nature. The approach taken is attached at Appendix B.

5.2 DEFINITIONS

5.2.1 A credit rating agency is one of the following three companies: Fitch Ratings Limited (Fitch), Moody's Investors Service Limited (Moody's) and Standard and Poors (S&P).

5.2.2 An investment is something held or a transaction which relies upon the power in section 12 of the 2003 Act. That is for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs. This covers all of the financial and non-financial assets a local authority has invested money into primarily or partially for the purpose of generating a surplus including investment property. As such this may include investments that are not managed as part of normal treasury management processes or under treasury management delegations (such as loans to third parties or other non specified investments).

5.3 INVESTMENT COUNTERPARTIES

The Director of Corporate Services maintains a counterparty list in compliance with the following criteria and revises the criteria and submits them to Council for approval as necessary. This criteria is separate to that which approves Specified and Non-Specified investments as it selects which counterparties the Council will approve rather than defining what its investments are. The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by all three agencies, two meet the Council's criteria, the other does not, the institution will fall outside the lending criteria.

5.3.1 Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. To meet this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

5.3.2 **UK Banks 1 (Upper Limit)** – This Council will use banks which have at least the following Fitch, Moody's and Standard & Poors ratings:

Short Term – F1, P-1, A-1

Long Term – AA-, Aa3, AA-

UK Banks 2 & UK Building Societies (Middle Limit) – This Council will use all UK Banks and Building Societies which have at least the following Fitch, Moody's and Standard & Poors ratings:

Short Term – F1, P-1, A-1

Long Term – A, A2, A

UK Banks Part Nationalised – Royal Bank of Scotland Group plc (Royal Bank of Scotland and National Westminster Bank). These banks will be included if they continue to be part nationalised or they meet the ratings above.

At the time of writing the UK Government (HM Treasury) holds 37.97% stake within Royal Bank of Scotland Group.

UK part nationalised banks which are partly owned by the UK Government will be included as investment counterparties, as long as they continue to have appropriate UK Government support. UK Government backing provides a credit quality overlay above that provided by the credit rating agencies. The Royal Bank of Scotland Group plc will continue to be monitored for any further material reduction in state ownership or deterioration of the credit rating which suggests a reduction of its use or suspension from the counterparty list.

UK Banks 3 – The Council's banker for transactional purposes if it falls below the above criteria. Balances will be minimised in both monetary size and time.

Money Market Funds – The Council will use AAA rated money market funds (MMFs) that are credit rated by at least two of the three credit rating agencies. These are pooled investment funds whose primary aims are liquidity and security and allow daily access to funds when required. Their operations are strictly regulated by the credit rating agencies and are operated by a financial institution but do not form part of that institution's assets, should the sponsoring institution fail the MMF is entirely separate, effectively owned by the investors. These types of funds invest in a range of instruments and institutions and therefore provide a low risk spread of investments.

The Money Market Fund reforms in Europe came into force during 2018 and provide the Council the opportunity to invest into Public Debt Constant Net Asset Value (“CNAV”) MMFs and Low Volatility NAV (“LVNAV”) MMFs. This is consistent with our current strategic approach. The exceptional economic environment and low interest rate position has seen some MMFs changing operating procedures whilst keeping very low risk. The Director of Corporate Services will continue to utilise and monitor these instruments.

UK Government (including gilts and the DMADF)

Local Authorities (including Police & Fire Authorities)

5.3.3 Use of additional information other than credit ratings

Under the Revised CIPFA Treasury Management Code of Practice 2021 the Council is still required to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. The market information (for example, negative rating watches/outlooks, individual/viability and support ratings) will be applied to compare the relative security of differing investment counterparties.

The UK Government, like other Western governments, have initiated market regulations which mean they may not bail out financial institutions in the future. This process included ring-fencing part of each bank and requiring greater capital buffers are held on the balance sheets. Whilst this is not a cause for concern, officers will continue to monitor the situation and, if necessary, make any changes to future investment strategies.

5.3.4 The time and monetary limits for institutions on the Council's Counterparty List are shown below: (Specified and Non-Specified Investments)

	Fitch	Moody's	Standard & Poors	Money Limit	Time Limit
Upper Limit Category - Short Term and Long Term	F1 AA-	P-1 Aa3	A-1 AA-	£10m	3 years
Middle Limit Category - Short Term and Long Term	F1 A	P-1 A2	A-1 A	£8m £4m	1 year 2 years
Part Nationalised	-	-	-	£8m £4m	1 year 2 years
Council's Banker (not meeting criteria above)	-	-	-	£3m	1 day
Other Institution Limits (per institution):					
- Any One Local Authority (including Police & Fire authorities)	-	-	-	£5m	1 year
- Any AAA Rated Money Market Fund CNAV	-	-	-	£10m	Daily Liquidity
- Any AAA Rated Money Market Fund LVNAV	-	-	-	£10m	Daily Liquidity
- Debt Management Account Deposit Facility (DMO)	-	-	-	£125m	6 months (max term specified by DMO)

5.3.5 There are two types of investments – Specified and Non Specified

5.3.5.1 Specified Investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets where the possibility of loss of principal or investment income is small. These would include investments with:

- (1) The UK Government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity).
- (2) A local authority, police authority and fire authority.
- (3) Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
- (4) A body that has high credit quality (which may include a high credit rating by a credit rating agency) such as a bank or building society. For this purpose a body with a short term rating of F1, P-1 or A-1 will be considered high quality.

5.3.5.2 Non Specified Investments

These investments are any other type of investment (i.e. not defined as Specified in 5.3.5.1 above).

The maximum sum and time limit for non specified investments is £5m per counterparty with a limit of 3 years.

Non specified investments will only be made in local authorities, bodies with a minimum long-term credit rating of AA– and in AAA rated money market funds.

Note: Barclays Bank plc are the Council's current bankers. If the bank's credit rating falls and it no longer meets the criteria for a specified investment no deposits will be made with the exception of the bank's overnight (Moneymaster) account. The average day to day operational balance on the account will not exceed £3m in these circumstances. See 5.3.4 above.

In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

The use of longer term instruments (greater than one year from inception to repayment) will fall in the non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded.

5.3.6 The Monitoring of Investment Counterparties

The credit ratings of counterparties are monitored regularly. The officers receive credit rating information (changes, rating watches and rating outlooks) from the treasury management advisers as and when ratings change, and counterparties are checked promptly. Occasionally ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Corporate Services, and if required new counterparties which meet the criteria will be added to the list.

The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under "exceptional" market conditions the Director of Corporate Services will temporarily restrict further investment activity to those counterparties considered of higher credit quality

than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to “normal” conditions. Similarly the time periods for investments will be restricted.

This would potentially necessitate greater use of and/or increase(s) in the money limit(s) of the Debt Management Account Deposit Facility (DMADF – an account within the Government Debt Management Office (DMO) which accepts local authority deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government.

The present Schedule of Approved Counterparties for Lending 2024-2025 is shown in Appendix C.

5.4 **LIQUIDITY OF INVESTMENTS**

Investments are made for periods which coincide with the Council’s cash flow requirements. When investing (within the risk criteria mentioned above), the aim is to achieve a level of return greater than would be secured by internal investments. The “90-day un compounded SONIA rate (backward looking)” is the recognised rate which the Council aims to exceed when lending money. This benchmark will be reviewed periodically with our advisors.

5.5 **INVESTMENTS THAT ARE NOT PART OF TREASURY MANAGEMENT ACTIVITY**

This Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.

This Council will ensure that all the organisation’s investments are covered in the investment strategy or equivalent, and will set out, where relevant, the organisation’s risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

The council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation’s risk exposure.

Prior to making these investments, appropriate financial review procedures will be undertaken, including due diligence covering Profit and Loss, Balance Sheet, cash flow monitoring, etc, as appropriate.

This Council acknowledges that it is critical that due diligence processes and procedures reflect the additional risk an organisation is taking on. Due diligence procedures should ensure effective scrutiny of proposed investments, identification of risk to both capital and returns, any external underwriting of those risks, and the potential impact on the financial sustainability of the organisation if those risks come to pass. Where necessary independent and expert advice should be sought to ensure due diligence is suitably robust.

5.6 **Environmental Social and Governance (ESG)**

Where possible, consideration will be given to the disclosure of long-term climate risks associated with investments, though with regard to treasury investments, any tangible information will be limited. Greater disclosure for non specified investments and loans to third parties may be appropriate depending on the type of activity.

Environmental Social and Governance (ESG) is incorporated into Treasury Management Practice (TMP) 1 (Appendix A). The most important issue is ensuring that there is a clear understanding of what ESG investment considerations means. It is about understanding the ESG “risks” that an entity is exposed to and evaluating how well it manages these risks, (all entities will be subject to these to one extent or other).

As mentioned in TMP 1 the main credit rating agencies are now incorporating ESG risks alongside more traditional financial risk metrics when assessing counterparty ratings.

Given that ESG risks are all about potential impact on entity enterprise value; the “G” is by far the most important one when considering treasury investments, the majority of which will be shorter-term in nature. This is because poor governance can have a more immediate impact on the financial circumstances of an entity and the potential for a default event that would impact the amount the local authorities receive back from their investments. Those financial institutions that are viewed as having poor/weak corporate governance are generally less well rated in the first instance or have a higher propensity for being subject to negative rating action. So, this element of ESG is of high importance to an investor that is following investment guidance with the security, liquidity and yield (SLY) principle at its core. Environmental & Social factors are also important, but more for the long-term impact, unless you are specifically going down the “impact” / “sustainable” type investment route and there are not many options for that in respect of short-term investments.

6. **DEBT RESCHEDULING AND PREMATURE REPAYMENT OF DEBT**

As short term borrowing rates are likely to be cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. Any potential savings will need to be considered in the

light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings
- helping to fulfil the treasury strategy
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by utilising current investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

If rescheduling is to be undertaken, it will be reported to the Council at the earliest meeting following its action.

7. **PERFORMANCE INDICATORS**

The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Examples of performance indicators used for the treasury function are:

- Debt (Borrowing) – New borrowing rate to outperform the average PWLB rate for the year
- Debt – Average weighted debt rate movement year on year
- Investments – Return on investment to outperform the 90-day uncompounded SONIA rate (backward looking)

The results of these indicators will be reported in the Treasury Management Annual Report for 2024-25.

8. **TREASURY MANAGEMENT ADVISERS**

The Council has a contract with Link Group as its external treasury management advisor.

Link provides a range of services which include:

- Technical support on treasury matters, capital finance issues including IFRS 16 leases and the drafting of Member reports
- Economic and interest rate analysis
- Debt advisory services which includes advice on the timing of borrowing
- Debt rescheduling advice surrounding the existing portfolio
- Generic investment advice on interest rates, timing and investment instruments

- Credit ratings/market information service comprising the three main credit rating agencies

Under current market rules and the Revised CIPFA Treasury Management Code of Practice 2021 the responsibility for treasury management decisions remains with the Council at all times ensuring that undue reliance is not placed upon the external service providers.

The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

9. **MEMBER & OFFICER TRAINING**

The increased member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for members and officers. This Council has addressed this important issue by:

- Reviewing the treasury management function and ensuring officers are suitably qualified
- Arranging external training for officers
- Arranging training for those members charged with governance of the treasury management function
- Recording training attendance

A Knowledge and Skills Register will be created and shared with officers and members involved in treasury management. The training needs of treasury management officers/ members will be periodically reviewed.

RECOMMENDATIONS

- 1. That Council formally approves the content of the Treasury Management Policy and Strategy for 2024-2025 and recommendations therein.**
- 2. That Council formally approves the Treasury Management Indicators, Prudential Indicators, the MRP Statement, the Investment Strategy and recommendations therein.**

Mae'r dudalen hon yn wag yn fwriadol

TREASURY MANAGEMENT PRACTICES (TMPs)

TMP1 RISK MANAGEMENT

General Statement

This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investment.

The Director of Corporate Services or those persons to which delegation has been made will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP 6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out below.

1.1 Credit and Counterparty Risk Management

Explanation

The risk of failure by a third party to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

Council Action

This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques and listed in the Annual Treasury Management Policy and Strategy Statement. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

A detailed list of counterparties to which the Council will lend is appended to the Annual Treasury Management Policy and Strategy Statement.

1.1.1 Policy on Environmental, Social and Governance (ESG) considerations

Explanation

The Council's credit and counterparty policies should set out its policy and practices relating to ESG investment considerations. This is a developing area, and it is not implied that the Council's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.

Council Action

For short term investments with counterparties, the Council utilises the ratings provided by Fitch, Moody's and Standard & Poor's to assess creditworthiness, which already include analysis of ESG factors when assigning ratings. The Council will continue to evaluate additional ESG-related metrics and assessment processes that it could incorporate into its investment process and will update accordingly.

Typical ESG considerations are shown below. Please note that these are examples of ESG factors that are considered by the Credit Rating Agencies above when assigning credit ratings to counterparties. The credit ratings provided by these agencies are also used as the basis for selecting suitable counterparties by the Council:

- **Environmental:** Emissions and air quality, energy and waste management, waste and hazardous material, exposure to environmental impact.
- **Social:** Human rights, community relations, customer welfare, labour relations, employee wellbeing, exposure to social impacts.
- **Governance:** Management structure, governance structure, group structure, financial transparency.

1.2 **Liquidity Risk Management**

Explanation

The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional budgeted costs, and that the organisation's business/service objectives will therefore be compromised.

Council Action

The Council through its Treasury Management officers will ensure that at all times there will be a surplus of cash available which can be called upon at a moment's notice. Through its investments the Council holds cash on call account(s) which is available at any time. By the use of an effective projected cash flow exercise the likelihood of cash being not readily available when required would be rare. Robust daily, weekly, monthly and annual cash flow forecasting is in place. Call accounts and fixed term investments are utilised to their full potential.

This Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

1.3 **Interest Rate Risk Management**

Explanation

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

Council Action

This Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

1.4 **Exchange Rate Risk Management**

Explanation

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. The Council is awarded grant from specific programmes in Euro currency and consequently receives grant income in this currency. Where the Council is a joint beneficiary and not a lead beneficiary, payments are received from the lead beneficiary in Euros into the Council's Sterling bank account.

There is a negligible risk where the Council is a joint beneficiary.

Where the Council is a lead beneficiary for a grant and is receiving income in Euro currency on behalf of other beneficiaries, the income is received into and payments made in Euros from the Euro bank account.

Council Action

Currently the Council only invests in sterling products. Hence, there is no exchange rate risk with regard these investments. For grants where the Council is lead beneficiary, receiving income in Euro currency on behalf of other beneficiaries and reimbursing them, exchange risk is mitigated by using a Euro bank account.

1.5

Inflation Risk Management

Explanation

Inflation risk, also called purchasing power risk, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

Council Action

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole Council's inflation exposures.

1.6

Refinancing Risk Management

Explanation

The risk that maturing borrowings, capital project or partnership financing cannot be refinanced on terms that reflect the provisions made by the organisation or those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

Council Action

This Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time. It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective and will avoid

overreliance on any one source of funding if this might jeopardise achievement of the above.

1.7 **Legal and Regulatory Risk Management**

Explanation

The risk that an organisation itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

Council Action

This Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP 1 credit and counterparty risk management it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

This Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimize the risk of these impacting adversely on the Council.

1.8 **Fraud, Error and Corruption, and Contingency Management**

Explanation

The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

Council Action

This Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

1.9

Price Risk Management

Explanation

The risk that, through adverse market fluctuations in the value of the principal sums the organisation invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

Council Action

This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP2

PERFORMANCE MEASUREMENT

Explanation

Performance measurement is a process designed to calculate the effectiveness of a portfolio's or manager's investment returns or borrowing costs and the application of the resulting data for the purposes of comparison with the performance of other portfolios or managers, or with recognised industry standards or market indices.

Council Action

This Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope of other potential improvements.

TMP3

DECISION MAKING AND ANALYSIS

Explanation

It is vital that the treasury management decisions of organisations in the public service should be subjected to prior scrutiny. The treasury management strategy is approved annually by full council and supplemented by the provision of monitoring information and regular review by councillors in both executive and scrutiny functions. In addition, all records should be kept of the processes and the rationale behind those decisions. In respect of each decision made the Council should:

- 3.1 ensure that its results are within the limits set in the Prudential Indicators.
- 3.2 be clear about the nature and extent of the risks to which the Council may become exposed.
- 3.3 be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained.
- 3.4 be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interest, and to deliver good housekeeping.
- 3.5 ensure that third parties are judged satisfactorily in the context of the Council's credit worthiness policies, and that limits have not been exceeded.
- 3.6 be content that the terms of any transactions have been fully checked against the market and have been found to be competitive.
- 3.7 in respect of borrowing the Council should evaluate the economic and market factors that influence the manner and timing of any decision to fund.
- 3.8 consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships.
- 3.9 consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use and, if relevant, the opportunities for foreign currency funding.
- 3.10 consider the ongoing revenue liabilities created, and the implications for the Council's future plans and budgets.
- 3.11 in respect of investment decisions, the Council should consider the optimum period, in the light of cash flow availability and prevailing market conditions.
- 3.12 consider the alternative investment products and techniques available, especially the implications of any which may expose the Council to changes in the value of its capital.

Council Action

This Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

TMP4

APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

Explanation

It is important that the Council is clear about the treasury management instruments, methods and techniques used as one of the main issues to be taken into account when reaching decisions in the need to protect public funds. This treasury management practice requires that the Council is equipped with the skills and experience to evaluate and control the risks and advantages associated with using the instruments available to it before including them in the approved list. Only instruments that the organisation has the skills and experience to evaluate should be included in their approved list, even if they are legally permitted to do so. This principle applies to investment, borrowing and other means of raising capital and project finance, and to the use of one off-market or financial derivative instruments such as interest rate swaps. The consideration of skills and experience is particularly critical where organisations request to be treated as professional clients under MIFID II. Designation under MIFID II should be endorsed by the treasury management strategy and regularly reviewed to ensure that designation remains appropriate.

Council Action

This Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the policy, and within the limits and parameters defined in Treasury Management Practice 1 Risk Management.

This Council has reviewed its classification with financial institutions under MIFID II and has set out in the schedule to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

TMP5

ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

Explanation

It is considered vital that there should be a clear division of responsibilities, included in a written statement of the duties of each post engaged in Treasury Management. It is especially important that staff responsible for negotiating and closing deals are not responsible for recording them, or for maintaining the cash book. This is in order to create a framework for internal check and reflects both the variety of activities in treasury management and the very often large sums involved.

Council Action

This Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when this Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with Treasury Management Practice 6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Director of Corporate Services will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover.

The Director of Corporate Services will ensure there is a proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

TMP6

REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

Explanation

It is recommended that the Council's treasury management policy statement should specify formal reporting arrangements by the Director of Corporate Services to full Council, to include at a minimum, annual reports both before, mid-year and after the year-end.

Council Action

This Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies, on the effects of decisions taken and transactions executed in pursuit of those policies, on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities and on the performance of the treasury management function.

The following reporting process has been agreed by the Council:

6.1 Annual Reporting Requirements before the start of the year:

- Review of the Council's approved clauses, treasury management policy statement and practices
- Strategy report on proposed treasury management activities for the year, including the MRP and Investment policies
- Proposed Treasury Management and Prudential Indicators

6.2 Quarter 1 and Quarter 3 Reporting Requirements during the year which will be presented to both Cabinet and Corporate Performance and Resources Scrutiny Committee:

- Activities undertaken
- Variations (if any) from agreed policies/practices
- Performance report
- Performance against Treasury Management and Prudential Indicators

6.3 Mid-Year Reporting Requirements during the year which will be presented to Council, Cabinet and Corporate Performance and Resources Scrutiny Committee:

- Activities undertaken
- Variations (if any) from agreed policies/practices
- Performance report
- Performance against Treasury Management and Prudential Indicators

6.3 Annual Reporting Requirements after the year end

- Transactions executed and their revenue (current) effects

- Report on risk implications of decisions taken and transactions executed
- Compliance report on agreed policies/practices, and on statutory/regulatory requirements
- Performance report
- Report on compliance with Revised CIPFA Treasury Management Code of Practice 2021 recommendations
- Performance against Treasury Management and Prudential Indicators

By undertaking the above it will ensure, as a minimum, that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

Explanation

It is recommended that the Council brings together for budgeting and management control purposes, all of the costs and revenues associated with the Council's treasury management activities, regardless of how the Council has actually organised the treasury management function. In this context the Council's treasury management budgets and accounts should clearly identify.

- Manpower numbers and related costs
- Premises and other administrative costs
- Interest and other investment income
- Debt and other financing costs (or charges for the use of assets)
- Bank and overdraft charges
- Brokerages, commissions and other transaction-related costs
- External advisers' and consultants' charges

It is normal practice for the external auditor to have access to all papers supporting and explaining the operation and activities of the treasury management function. The

auditor will be expected to enquire as to whether the Revised CIPFA Treasury Management Code of Practice 2021 has been adopted, and whether its principles and recommendations have been implemented and adhered to. Any serious breach of the recommendations of the Revised CIPFA Treasury Management Code of Practice 2021 should be brought to the external auditor's attention.

Council Action

The Director of Corporate Services will prepare, and this Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Performance Measurement, and TMP4 Approved instruments, methods and techniques. The Director of Corporate Services will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 Reporting requirements and management information arrangements.

The calculation and compliance of Treasury Management and Prudential Indicators will be examined by Audit Wales.

This Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. This Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfillment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

TMP8 CASH AND CASH FLOW MANAGEMENT

Explanation

The preparation of cash flow projections on a regular and timely basis provides a sound framework for effective cash management. Procedures for their preparation and review/modification, the periods to be covered, sources of data etc. should be an integral part of the schedules to the Council's approved treasury management practices.

Council Action

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Director of Corporate Services and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Director of Corporate Services will ensure that these are adequate for the purposes of monitoring compliance with Treasury Management Practice 1 (2) liquidity risk management.

TMP9 ANTI-MONEY LAUNDERING

Explanation

Money Laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. Also, organisations such as Councils that undertake business under the Financial Services Act, or engage in certain specified activities, are required to set up procedures to comply with Anti-Money Laundering Regulations . These require Councils:

- To set up procedures for verifying the identity of clients
- To set up record-keeping procedures for evidence of identity and transactions
- To set up internal reporting procedures for suspicions, including the appointment of a money laundering reporting officer
- To train relevant employees in their legal obligations
- To train those employees in the procedures for recognising and reporting suspicions of money laundering

The Council should establish whether the Money Laundering Regulations apply to them. And it is for individual organisations to evaluate the prospect of laundered monies being handled by them, and to determine the appropriate safeguards to be put in place. It is the legal responsibility of every person engaged in treasury management, and indeed the Council, to make themselves aware of their personal responsibilities, but the Revised CIPFA Treasury Management Code of Practice 2021 recommends that Councils bring them to their staff's attention and consider the appointment of a member of staff to whom they can report any suspicions.

Council's Action

This Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions and will ensure that staff involved in this are properly trained.

TMP10 TRAINING AND QUALIFICATIONS

Explanation

All Councils should be aware of the growing complexity of treasury management. Modern treasury management demands appropriate skills, including a knowledge of money and capital market operations, an awareness of available sources of funds and investment opportunities, an ability to assess and control risk, and an appreciation of the implications of legal and regulatory requirements.

Every Council should provide the necessary training, having assessed the professional competence of both those involved in the treasury management function, and those with a policy, management or supervisory role. If necessary, they should ensure that access exists to the necessary expertise and skills from external sources. Arrangements to ensure the availability of suitable skills and resources should recognise the prospect that staff absences may, at times, demand that others step in who do not normally have involvement on a day-to-day basis with the treasury management function.

When feasible in the context of the size of a particular organisation and its treasury management function, career progression opportunities should be made available and succession issues should be properly addressed. Secondments of senior management to the treasury management function for appropriate periods may benefit the effectiveness of the function as a whole.

Council Action

This Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Director of Corporate Services will recommend and implement the necessary arrangements.

The Director of Corporate Services will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

A Knowledge and Skills Register will be created and shared with officers and members involved in treasury management. The training needs of treasury management officers/ members will be periodically reviewed.

TMP11 USE OF EXTERNAL SERVICE PROVIDERS

There are a number of service providers available to support the treasury management activities of public service organisations.

Perhaps the most active and long-standing of these have been the money-broking companies, whose role it is to act as intermediaries, making introductions between the prospective parties to transactions.

It is not the role of brokers to provide advice on the creditworthiness of those organisations to which public service organisations may lend. They may provide information already in the public domain but may not interpret it. The use of brokers is a matter for local decision. But it is considered good practice, if their services are used, to ensure that business is spread between a reasonable number of them, and certainly no fewer than two.

Direct dealing with principals is a not uncommon feature of treasury management in the public services which, if nothing else, can provide a useful check on brokers' performance.

An issue that causes some debate is whether it is necessary or desirable for public service organisations to tape conversations with brokers and principals. This is a matter for local discretion, particularly in the context of the costs involved, but brokers are required to maintain taped recordings which the Council can ask for copies if needed.

Most public service organisations require the services of clearing bankers, and a growing number make use of the services of a wider group of banks, particularly to meet their need for private finance and partnership funding. The principles of competition need to be recognised here, too. Certainly, it is highly desirable to subject clearing banking services to competition, perhaps as frequently as every three or four years.

There has also been a growing tendency for public service organisations to employ external advisers and consultants, often for the purposes of a general treasury management advisory service, but also for specific purposes, such as the securing and structuring of funding and for partnership arrangements. These, too, should be the subject of regular competitive tendering.

Further, many public service organisations employ the services of external investment managers to help manage their surplus cash and, where relevant, their pension fund, trust fund or endowment fund assets.

CIPFA advises all organisations using the services of external service providers to document comprehensively the arrangements made with them.

Council Action

The Council recognises that responsibility for treasury management decisions remain with the Council at all times. It recognises the potential value of employing external

providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies.

TMP12 CORPORATE GOVERNANCE

The Revised CIPFA Treasury Management Code of Practice 2021 recommends that public service organisations state their commitment to embracing the principles of corporate governance in their treasury management activities, notably openness and transparency.

It is CIPFA's view that:

- adoption of the principles and policies promoted in the Revised CIPFA Treasury Management Code of Practice 2021 and in these guidance notes will in itself deliver the framework for demonstrating openness and transparency in an organisation's treasury management function
- publication of and free access to information about an organisation's treasury management transactions and other public documents connected with its treasury management activities will further assist in achieving this end
- establishing clear treasury management policies, the separation of roles in treasury management and the proper management of relationships both within and outside the organisation will establish the integrity of the function
- robust treasury management organisational structures, together with well-defined treasury management responsibilities and job specifications, will enhance accountability
- equality in treasury management dealings, absence of business favouritism and the creation of keen competition in treasury management will lay the groundwork for fairness.

The following paragraphs further emphasise the practices that CIPFA believes an organisation should employ to ensure the principles of corporate governance are successfully implemented.

Procedural responses

The policies, strategies of treasury management should link clearly to the organisation's other key policies and strategies. In the management of risk, in particular, treasury risk management should be an integral part of its overall risk

management processes, culminating in a well-defined, organisation-wide strategy for the control of risk and contingency planning.

The management and administration of treasury management should be robust, rigorous and disciplined. Over the years, some of the most significant examples of treasury mismanagement, in both the public services and the private sector, have resulted from procedural indiscipline. This has frequently been as a result of a failure to apply otherwise well-documented management and administration systems, or through failures in transmission, documentation or deal recording processes.

Reporting arrangements should be applied so as to ensure that those charged with responsibility for the treasury management policy have all the information necessary to enable them to fulfil openly their obligations; and that all stakeholders are fully appraised of and consulted on the organisation's treasury management activities on a regular basis.

The procedures for monitoring treasury management activities through audit, scrutiny and inspection should be sound and rigorously applied, with an openness of access to information and well-defined arrangements for the review and implementation of recommendations for change.

The application and interpretation of performance data should be clear, concise and relevant to the organisation's treasury management activities.

Stewardship responsibilities

The Director of Corporate Services should ensure that systems exist to deliver proper financial administration and control, and a framework for overseeing and reviewing the treasury management function.

As regards a control framework, an organisation's formal policy documents should define clearly procedures for monitoring, control and internal check.

With regard to delegation it is vitally important that those involved in the implementation of treasury management policies and the execution of transactions are unambiguously empowered to undertake their tasks, and that reporting lines are well-defined.

An organisation's adoption of and adherence to the Revised CIPFA Treasury Management Code of Practice 2021 should be widely broadcast, as should the principles of the Revised CIPFA Treasury Management Code of Practice 2021 and the method of its application in the organisation.

The organisation's procedures for reviewing the value of the treasury management function, and the implementation of opportunities for improvement, should be both continuous and open to examination.

The governance of others

In respect of the organisation's dealings with counterparties, external service providers and other interested parties, clear procedures should exist to enable the organisation, as far as is practicable, to monitor their adherence to the legal or regulatory regimes under which they operate.

Council Action

This Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

In respect of external service providers appropriate financial review procedures will be undertaken, including Profit and Loss, Balance Sheet and cash flow monitoring.

This Council has adopted and has implemented the key recommendations of the Revised CIPFA Treasury Management Code of Practice 2021. This is considered vital to the achievement of proper corporate governance in treasury management, and the Director of Corporate Services will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

SECURITY, LIQUIDITY AND YIELD BENCHMARKING

Member reporting on the consideration and approval of security and liquidity benchmarks will continue. These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Management Report.

1. Security

In context of benchmarking, assessing security is a subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poor's). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy.

The table below shows average defaults for differing periods of investment grade products for each Fitch/Moody's and Standard & Poor's long term rating category.

Long term rating	1 year	2 years	3 years
AAA	0.04%	0.09%	0.16%
AA (includes AA- and AA+)	0.02%	0.04%	0.09%
A	0.05%	0.13%	0.24%
BBB	0.14%	0.38%	0.65%
BB	0.64%	1.85%	3.21%
B	2.73%	6.63%	10.29%
CCC	18.60%	26.52%	31.84%

The Council's minimum long term rating criteria is currently "AA-" for any investment greater than one year and "A" for any investment up to one year. The average expectation of default for a one, two or three year investment in a counterparty with a "AA-" long term rating would be approximately 0.02% of the total investment and the average expectation of default for a one year investment in a counterparty with a "A" long term rating would be 0.05% of the total investment. This is only an average, any specific counterparty loss is likely to be higher, but these figures do act as a proxy benchmark for risk across the portfolio.

The Council's maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:

- **0.16% historic risk of default when compared to the whole portfolio.**

In addition, the security benchmark for each individual year is:

	1 year	2 years	3 years
Maximum	0.04%	0.09%	0.16%

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Annual Treasury Management Report. As this data is collated, trends and analysis will be collected and reported. Where a counterparty is not credit rated a proxy rating will be applied in conjunction with our advisers, considering the regulatory environment and financial standing of an organisation.

2. Liquidity

This is defined as “having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (Revised CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft facility - £0.5m
- Liquid short term deposits of at least £10m available immediately on call

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAL would generally embody less liquidity risk. In this respect the proposed benchmark is to be used:

- **WAL benchmark is expected to be 0.5 years, with a maximum of 1 year.**

3. Yield

Benchmarks are currently widely used to assess investment performance. The local measure of the yield benchmark is:

- Investments – Return on investments to outperform the 90-day uncompounded SONIA rate (backward looking)

Security and liquidity benchmarks are intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. Proposed benchmarks for the cash type investments are shown above and form the basis of reporting in this area.

**Schedule of Approved Counterparties for Lending 2024-2025
(as at 15th January 2024)**

	<u>Fitch</u>		<u>Moody's</u>		<u>Standard and Poors</u>		<u>Money</u>	<u>Time</u>
	<u>Short Term</u>	<u>Long Term</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Limit £'m</u>	<u>Limit years</u>
<u>Upper Limit</u>	<u>F1</u>	<u>AA-</u>	<u>P-1</u>	<u>Aa3</u>	<u>A-1</u>	<u>AA-</u>	<u>10</u>	<u>3</u>
UK Banks								
<u>Middle Limit</u>	<u>F1</u>	<u>A</u>	<u>P-1</u>	<u>A2</u>	<u>A-1</u>	<u>A</u>	<u>7</u>	<u>1</u>
UK Banks								
Banco Santander Central Hispano Group - Santander UK Plc	F1	A+	P-1	A1	A-1	A	7	1
Barclays Bank	F1	A+	P-1	A1	A-1	A+	7	1
HSBC Bank Plc	F1+	AA-	P-1	A1	A-1	A+	7	1
Lloyds Banking Group - Bank of Scotland Plc - Lloyds Bank	F1 F1	A+ A+	P-1 P-1	A1 A1	A-1 A-1	A+ A+	7 7	1 1
Standard Chartered Bank	F1	A+	P-1	A1	A-1	A+	7	1
UK Building Societies								
Nationwide	F1	A	P-1	A1	A-1	A+	7	1
<u>UK Banks Part Nationalised</u>								
Royal Bank of Scotland Group - National Westminster Bank Plc - Royal Bank of Scotland Plc	F1 F1	A+ A+	P-1 P-1	A1 A1	A-1 A-1	A+ A+	7 7	1 1
<u>Council's Banker</u>							3	1 day
<u>Other Institution Limits</u>								
<u>Local Authorities</u>								
Any One Local Authority (including police and fire authority)							5	1
<u>Money Market Funds</u>								
Any AAA Rated Money Market Fund CNAV							10	1
<u>Money Market Funds</u>								
Any AAA Rated Money Market Fund LVNAV							10	1
Debt Management Office							125	6 months (max term specified by DMO)

Mae'r dudalen hon yn wag yn fwriadol

1. THE PRUDENTIAL INDICATORS

The following indicators are based on the figures put forward within the Capital and Revenue Plans set out in this report.

1.1. Affordability

1.1.1. Estimates of ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Non-HRA	3.26%	4.11%	3.93%
HRA (inclusive of settlement figure)	27.12%	28.98%	29.17%

The estimates of financing costs include current commitments and the proposals in this budget report. These figures are however subject to change as and when the final funding approvals come through from the Welsh Government. Updates will be provided if these figures require amendment.

The indicators show the proportion of income taken up by capital financing costs. Indicative Aggregate External Finance (AEF) for 2025/2026 is a 1.0% increase on 2024/2025 and for 2026/2027 a 0.7% estimated increase on 2025/2026.

1.2. Prudence

1.2.1. The Capital Financing Requirement (CFR)

This prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above, which has not immediately been paid for, will increase the CFR.

The Council is asked to approve the CFR projections below:

£m	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Non-HRA	315	321	314
HRA	177	190	190
HRAS*	66	65	63
TOTAL	558	576	567

*Housing Revenue Account Subsidy Buyout of £79m in April 2015.

1.2.2. The Gross Borrowing and Capital Financing Requirement indicator

The control mechanism to limit external debt.

Estimated gross borrowing for the four years starting with the last full year (2022/23) must not exceed the CFR in the medium term but can in the short term due to cash flows.

Ensures borrowing is only for approved capital purposes.

The Director of Corporate Services reports that the Council complied with this requirement in 2022/23 and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

Details of Gross Borrowing:

£m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt at 1 st April	401	411	410	475	521
Expected Change in Debt	10	(1)	65	46	46
Gross debt at 31st March	411	410	475	521	567
CFR	496	499	558	576	567
Under / (Over) borrowing	85	89	83	55	0

1.2.3. External Debt

The Authorised Limit and the Operational Boundary:

The Authorised Limit prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

£m	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Borrowing	613.5	632.9	622.9
Other Long- Term Liabilities	0.5	0.5	0.5
Total	614.0	633.4	623.4

The Operational Boundary for external debt is based on the same estimates as the authorised limit, but without the additional headroom for unusual and unexpected cash movements and equates to the level of projected external debt. This is clearly subject to the timing of borrowing decisions.

£m	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Borrowing	558.1	575.8	566.6
Other Long-Term Liabilities	0.1	0.1	0.1
Total	558.2	575.9	566.7

The Council is asked to approve both the Authorised Limit and the Operational Boundary shown above.

1.2.4. Actual External Debt

The Council's actual external debt at 31st March 2023 was £411m. The actual external debt is not directly comparable to the authorised limit and operational boundary because the actual external debt reflects the position at a point in time.

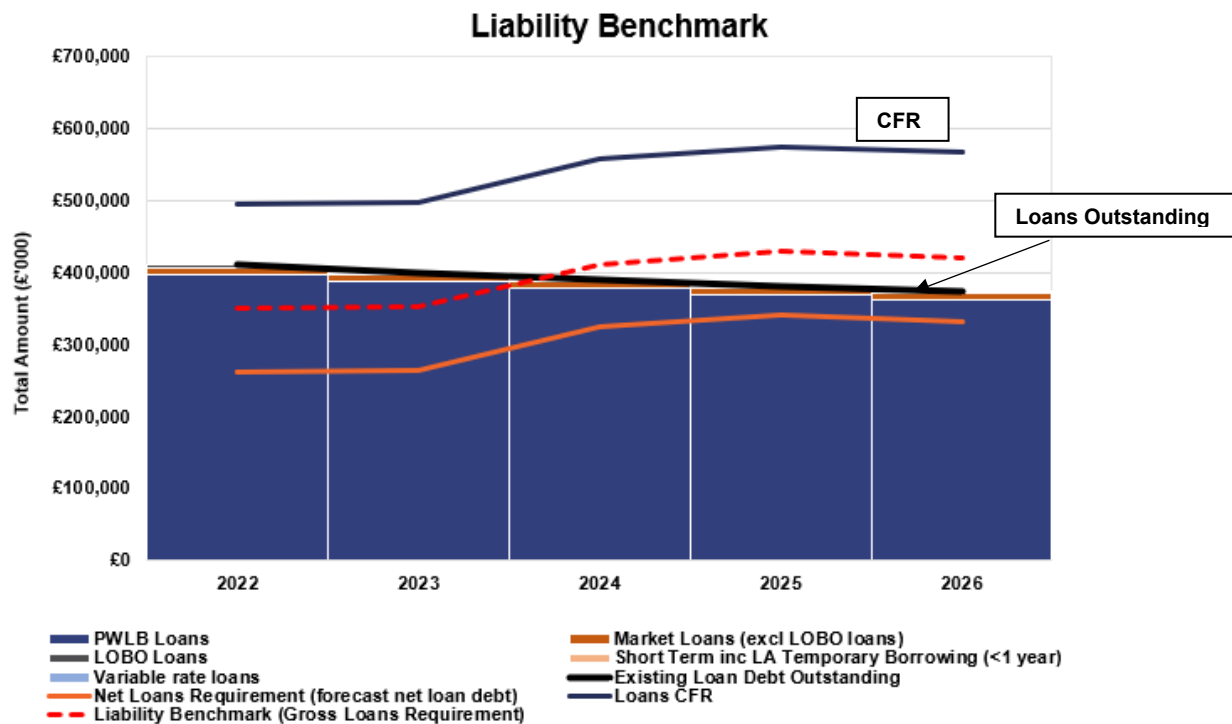
1.3. Liability Benchmark

1.3.1. Liability Benchmark

The Council is required to estimate and measure the Liability Benchmark for the forthcoming year and the following two years. The liability benchmark is a measure of how well the existing loans portfolio matches the Council's planned borrowing needs.

There are four components to the Liability Benchmark:

- **Existing Loan Debt Outstanding:** The Council's existing loans that are still outstanding in future years.
- **Loans CFR:** This is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Minimum Revenue Provision (MRP).
- **Net Loans Requirement:** This will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecasted.
- **Liability Benchmark:** This equals net loans requirement plus short-term liquidity allowance.



The purpose of this prudential indicator is to compare the Council’s existing loans outstanding (the black line) against its future need for loan debt, or liability benchmark (the red line). If the black line is below the red line, the existing portfolio outstanding is less than the loan debt required, and the Council will need to borrow to meet the shortfall. If the black line is above the red line, the Council will (based on its current plans) have more debt than it needs, and the excess will have to be invested. The chart therefore tells a Council how much it needs to borrow, when, and to want maturities to match its planned borrowing needs.

It is recommended that the above Prudential Indicators are adopted and that the Director of Corporate Services is given delegated authority by Council to change the balance between borrowing and other long-term liabilities.

Other long-term liabilities are other credit arrangements, which are, in the main, finance leases. These indicators may need to be amended Mid-Year whilst information is continued to be collated during 2024/25 for the new lease requirements under IFRS 16.

MINIMUM REVENUE PROVISION (MRP) STATEMENT

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision – MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision – VRP). It is also required to charge an element of the accumulated HRA capital spend in line with Welsh Government requirements.

Welsh Government regulations were issued with effect from 1st April 2010 which require the full Council to approve a Minimum Revenue Provision (MRP) Statement in advance each year. A variety of options were provided to councils to replace the existing Regulations, as long as there is a prudent provision.

Council have already approved the following approaches for calculating MRP:

Supported Borrowing and Capital Expenditure

Based on CFR

The calculation is based on 2.5% of the opening Capital Financing Requirement (CFR) each year on a straight-line basis.

Unsupported Borrowing

Asset Life Method

The future borrowing value of unsupported borrowing is to be charged to revenue over 40 years or by the estimated economic life of the asset if shorter, please see below.

Capital Expenditure on the Modernising Education Programme (MEP) and Local Government Borrowing Initiative (LGBI) 21st Century Schools is classed as Unsupported Borrowing. It is estimated that asset lives within these programmes are 30 years and this is the period that will be used to determine the MRP.

Asset lives within the Fleet Programme range from 1 to 10 years, these are the periods that will be used to determine the MRP.

Local Government Borrowing Initiative (LGBI) Highways. It is estimated that asset lives within this programme are 20 years and this is the period that will be used to determine the MRP.

Housing Revenue Account

The calculation is based on 2% of the opening Capital Financing Requirement (CFR) each year.

Loans to Third Parties

The Council occasionally lends capital loans to third parties which forms part of the Capital Financing Requirement. The Council's policy is not to apply Minimum Revenue Provision (MRP) to the loans but apply the loans repayments from the third party (which are capital receipts), in lieu of MRP. In the event of any likely default, the Council will calculate an Expected Credit Loss and apply MRP accordingly.

Swansea Bay City Deal

MRP on the Capital Financing Requirement (CFR) associated with City Deal expenditure financed by external loans will be profiled to match external grants received. If the grants are delayed the MRP will be reprofiled accordingly.

Council is recommended to approve the following MRP Statement for 2024/2025:

For Supported and Unsupported Capital Expenditure, the MRP policy will continue to follow the approaches above.

Y CABINET

19 CHWEFROR 2024

**ADRODDIAD CHWARTEROL YNGYLCH RHEOLI'R TRYSORLYS A
DANGOSYDD DARBODAETH
EBRILL 1AF 2023 I RHAGFYR 31AIN 2023.**

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Bod y Cabinet yn ystyried a cymeradwyo yr adroddiad.

Y Rhesymau:

I ddarparu y gwybodaeth diweddaraf i aelodau, ynglyn a gweithgareddau'r adran Rheoli'r Trysorlys yn ystod y cyfnod Ebrill 1af 2023 i Rhagfyr 31ain 2023.

Angen i'r Cabinet wneud penderfyniad OES

Angen i'r Cyngor wneud penderfyniad NAC OES

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Cllr. A. Lenny

Y Gyfarwyddiaeth:

Gwasanaeth Corfforaethol

Cyfarwyddwr: Chris Moore

Awdur yr Adroddiad: Anthony
Parnell

Cyfarwyddwr
Gwasanaethau
Corfforaethol

Rheolwr Pensiwn a
Buddsodiadau Gyllidol

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EXECUTIVE SUMMARY

CABINET
19TH FEBRUARY 2024

TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT **1ST APRIL 2023 TO 31ST DECEMBER 2023**

To provide members with an update on the treasury management activities from 1st April 2023 to 31st December 2023.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore** **Director of Corporate Services**

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Bio-diversity & Climate Change
YES	NONE	YES	NONE	NONE	NONE	NONE	NONE

1. Policy, Crime & Disorder and Equalities

Within the requirements of the Treasury Management Policy and Strategy Report 2023-2024

3. Finance

Gross interest earned on investments for the period amounted to £7.12m and interest paid on loans was £9.23m.

The Authority did not breach any of its Prudential Indicators during the period.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore** **Director of Corporate Services**

Scrutiny Committee request for pre-determination	N/A
Scrutiny Committee	Corporate Performance and Resources Scrutiny Committee
Date the report was considered:-	
Scrutiny Committee Outcome/Recommendations:-	

- 2. Local Member(s) - N/A**
- 3. Community / Town Council - N/A**
- 4. Relevant Partners - N/A**
- 5. Staff Side Representatives and other Organisations - N/A**

CABINET MEMBER PORTFOLIO HOLDER AWARE/CONSULTED	YES
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Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
CIPFA Treasury Management in the Public Services - Code of Practice Revised 2017		County Hall, Carmarthen

AGENDA ITEM NO.

PRE CABINET

DATE: 29/01/2024

1st April 2023 – 31st December 2023

A QUARTERLY TREASURY MANAGEMENT REPORT

1. Introduction

The Treasury Management Policy and Strategy for 2023-2024 was approved by Council on 1st March 2023. Section B 1.1(2) stated that Treasury Management activity reports would be made during the year. This report outlines the Treasury Management activities in the period 1st April 2023 to 31st December 2023 and satisfies the reporting requirement stated above.

2. Economic Update

On 2nd November 2023, the Bank of England's Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14th December 2023 reiterated that view.

With UK CPI inflation now at 3.9%, and core inflation beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.

In addition, what happens outside of the UK is also critical to movement in gilt yields. The US Federal Open Market Committee has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024.

3. Investments

One of the primary activities of the Treasury Management operation is the investment of surplus cash for which the Authority is responsible. As well as the Authority's own cash the County Council invests School Trust Funds and other Funds, with any interest derived from these investments being passed over to the relevant Fund.

All surplus money is invested daily on the London Money Markets. The security of the investments is the main priority. Appropriate liquidity should be maintained and return on investments the final consideration. It continues to be difficult to invest these funds as the market continues to be insecure and as a consequence, appropriate counterparties are limited.

The total investments at 1st April 2023 to 31st December 2023 analysed between Banks, Building Societies, Local Authorities and Money Market Funds, are shown in the following table:

Investments	01.04.23				31.12.23			
	Call and notice £m	Fixed Term £m	Total £m	%	Call and notice £m	Fixed Term £m	Total £m	%
Banks	27.50	14.00	41.50	28	41.50	0.00	41.50	24
Building Societies	0.00	7.00	7.00	5	0.00	7.00	7.00	4
Money Market Funds	40.00	0.00	40.00	27	45.00	0.00	45.00	26
DMADF (DMO)	0.00	20.00	20.00	13	0.00	57.00	57.00	33
Local Authorities	0.00	40.00	40.00	27	0.00	20.00	20.00	13
TOTAL	67.50	81.00	148.50	100	86.50	84.00	170.50	100

Investments on call are available immediately on demand.
Fixed term investments are fixed to a maturity date.

During the period the total investments made by the Council and repaid to the Council (the turnover) amounted to £1,323.00m. This averaged approximately £33.68m per week or £4.81m per day. A summary of turnover is shown below:

	£m
Total Investments 1st April 2023	148.50
Investments made during the quarter	672.50
Sub Total	821.00
Investments Repaid during the quarter	(650.50)
Total Investments at 31 December 2023	170.50

The main aims of the Treasury Management Strategy is to appropriately manage the cash flows of the Council, the required short term and longer term market transactions and the risks associated with this activity. Lending on the money market secures an optimum rate of return and also allows for diversification of investments and hence reduction of risk, which is of paramount importance in today's financial markets.

Benchmarks are widely used to assess investment performance. For the period under review the average "90-day un compounded SONIA rate" was 4.70% whereas the actual rate the Council earned was 4.63%, a marginal under performance of 0.07%.

The average gross interest earned on investments for the period amounted to £7.12m. This includes £1.43m interest on monies held for the Swansea Bay City Deal region.

The income from investments is used by the Authority to reduce the net overall costs to the Council taxpayer.

4. Security, Liquidity and Yield (SLY)

Within the Treasury Management Strategy Statement for 2023-2024, the Council's investment priorities are:

- Security of Capital
- Liquidity and
- Yield

The Council aims to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover short term cash flow needs but also to seek out value available in significantly higher rates in periods up to 12 months with highly credit rated financial institutions.

Attached in Appendix 1 is the Investment Summary and Top 10 Counterparty Holdings as at 31st December 2023.

5. Borrowing

One of the methods used to fund capital expenditure is long term borrowing. The principal lender for Local Authorities is the Public Works Loan Board (PWLB).

Under the Treasury Management Strategy, it was agreed to borrow when interest rates are at their most advantageous.

The total loans at 1st April 2023 and 31st December 2023 are shown in the following table:

Loans	Balance at 01.04.23 £m	Balance at 30.12.23 £m	Net Increase/ (Net Decrease) £m
Public Works Loan Board (PWLB)	397.61	399.61	2.00
Market Loan	3.00	3.00	0.00
Salix, Invest to Save, HILS & TCL	9.96	9.67	(0.29)
TOTAL	410.57	412.28	1.71

The Salix interest free loans have been provided by an independent publicly funded company dedicated to providing the public sector with loans for energy efficiency projects.

This interest free Invest-2-Save funding is to assist in the conversion of traditional street lighting to LED, which will help deliver a legacy of reduced energy costs and associated carbon taxes.

The Home Improvement Loan Scheme (HILS) repayable funding is provided by the Welsh Government to help individual homeowners, small portfolio landlords, developers and charities to improve homes and increase housing supply.

The Town Centre Loan (TCL) repayable funding is provided by the Welsh Government to provide loans to reduce the number of vacant, underutilised and redundant sites and premises in town centres and to support the diversification of the town centres by encouraging more sustainable uses for empty sites and premises, such as residential leisure and for key services.

5.1 New Borrowing

The following loan was borrowed during the period:

Loan Reference	Amount (£m)	Interest Rate	Start Date	Period	Maturity Date
685874	10.00	4.41%	21st December 2023	49.5yrs	28th September 2073
Total	10.00				

5.2 Interest Paid

Interest paid on loans in the period was:

PWLB Interest Paid £m	Market Loan Interest Paid £m	Total Interest Paid £m
9.09	0.14	9.23

6. Rescheduling and Premature Loan Repayments

No rescheduling opportunities arose during the period and there were no premature repayments of debt.

7. Leasing

No leases were negotiated in the period ended 31st December 2023.

8. Conclusion

The Treasury Management function for the period ended 31st December 2023 has been carried out within the policy and guidelines set in the Treasury Management Policy and Strategy 2023-2024.

B. QUARTERLY PRUDENTIAL INDICATOR REPORT

1. Introduction

As part of the 2023-2024 Budget and the Treasury Management Policy and Strategy 2023-2024, Council adopted a number of Prudential Indicators. These Indicators are designed to ensure that any borrowing or other long-term liabilities entered into for capital purposes were affordable, sustainable and prudent.

The Indicators are required by the Local Government Act 2003 and the Revised Prudential Code of Practice in order to control Capital Finance. The Prudential Code also required that those Prudential Indicators that were forward looking should be monitored and reported. Some of the indicators are monitored by officers monthly and are only reported if they are likely to be breached, others are to be monitored quarterly by the Cabinet.

2. The Monitored Prudential Indicators

2.1 Affordability Prudential Indicator

2.1.1 Ratio of Financing Costs to Net Revenue Stream

The indicator set for 2023-2024 in the Budget was:

	2023-2024
	%
Non –HRA	3.45
HRA	28.03

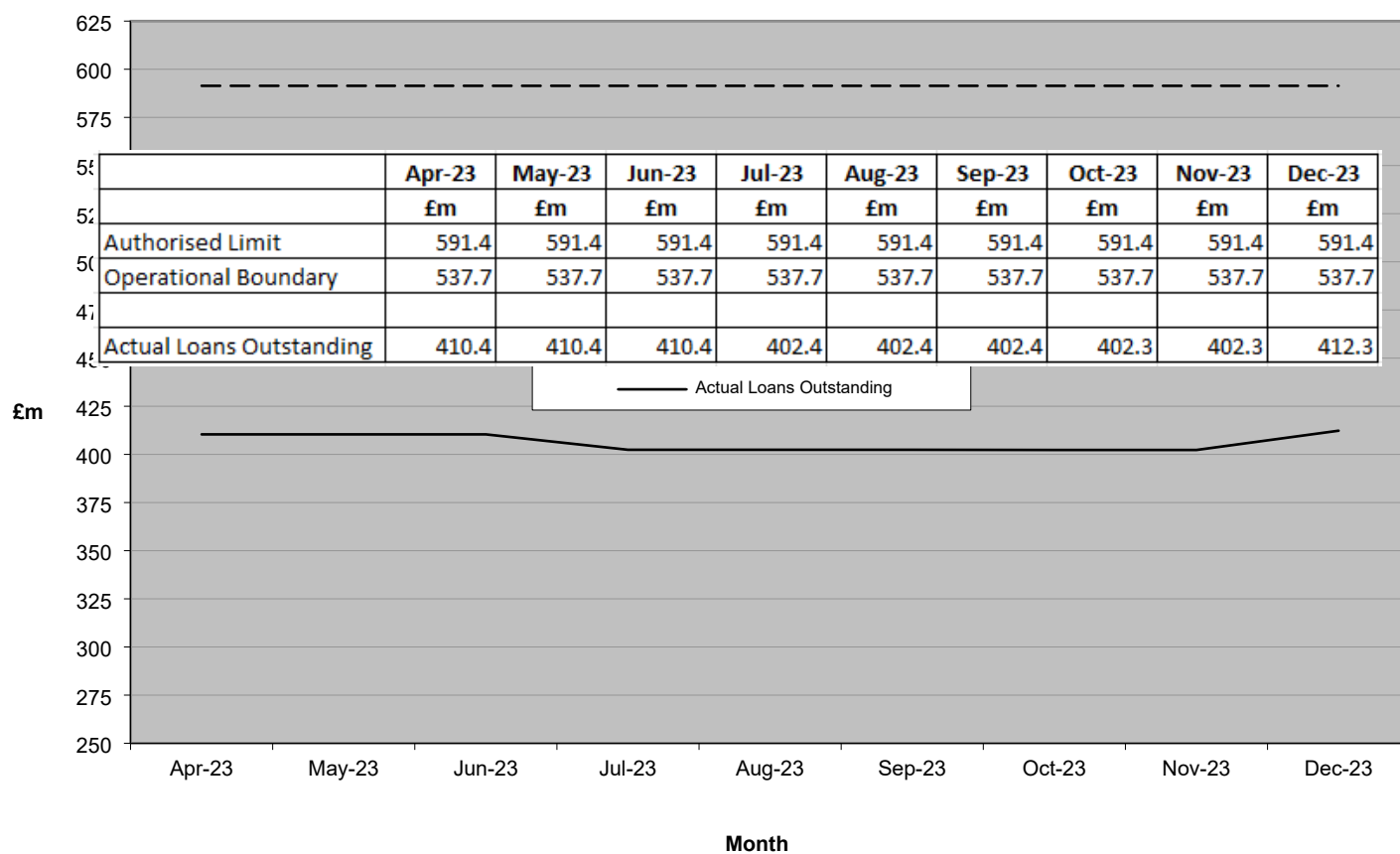
An examination of the assumptions made in calculating this indicator concluded that there have been no changes in the period.

2.2 Prudence Prudential Indicators

2.2.1 The Gross Borrowing and Capital Finance Requirement (CFR) indicator

The indicator set by the Budget for Gross Borrowing and CFR was that the Section 151 Officer envisaged no difficulty in meeting the requirement of the Gross Borrowing being less than the accumulated CFR for 2023-2024. An examination of assumptions made when calculating the Prudential Indicator show that there have been no material changes.

2.2.2 Authorised Limit and Operational Boundary



The actual value of loans outstanding must not exceed the Authorised Limit. In normal activity actual loans outstanding should be close but less than the Operational Boundary. The Operational Boundary can be breached in the short term due to adverse cash flows.

Neither the Authorised Limit nor the Operational Boundary have been breached.

2.3 Treasury Management Prudential Indicators

2.3.1 Interest Rate Exposure

Position as at 31st December 2023:

Tudalen 209

	Fixed Interest Rate £m	Variable Interest Rate £m	TOTAL £m
Borrowed	409.30	3.00	412.30
Invested	(98.00)	(72.50)	(170.50)
Net	311.30	(69.50)	241.80
Limit	518.00	52.00	
Proportion of Net Borrowing Actual	128.74%	(28.74)%	100.00%
of which:			
Borrowing	99.27%	0.73%	100.00%
Invested	57.48%	42.52%	100.00%
Limit	150.00%	5.00%	

The authority is within limits set by the 2023-2024 indicators.

2.3.2 Maturity Structure Of Borrowing

	Structure at 31.12.23 %	Upper Limit %	Lower Limit %
Under 12 months	0.52	15	0
12 months to 2 years	2.25	15	0
2 years to 5 years	5.99	50	0
5 years to 10 years	9.30	50	0
10 years to 20 years	20.16	50	0
20 years to 30 years	21.59	50	0
30 years to 40 years	21.51	50	0
40 years and above	18.68	50	0

The authority is within the limits set by the 2023-2024 indicators.

2.3.3 Maximum principal sums invested longer than 365 days

	2023-2024 £m
Limit	10

Actual as at 31 st December 2023	NIL

3. Conclusion

For the period 1st April 2023 to 31st December 2023 the actual Prudential Indicators to be monitored by the Cabinet are within the limits set by the Budget 2023-2024 and the Treasury Management Policy and Strategy 2023-2024. This is also true for the indicators being monitored by officers.

RECOMMENDATION

It is recommended that this report be approved by Cabinet.

Mae'r dudalen hon yn wag yn fwriadol

Investment Summary as at 31st December 2023

Carmarthenshire County Council

Totals			
Total	£170,500,000		
Calls & MMFs	£72,500,000	43%	
Fixed Deposits	£98,000,000	57%	
Specified	£0	0%	

Weighted Average			
Yield			5.10%
Maturity (Days)			
Total Portfolio	Total Portfolio		49.37
Long Term		Short Term	
AAA	-		1.00
AA	F1		56.29
A	F1		83.27
BBB	F2		0.00
CCC	C		0.00

Risk Factors			
< 1 year	£12,380		0.007%
1 - 2 years	£0		0.000%
2 - 3 years	£0		0.000%
3 - 4 years	£0		0.000%
4 - 5 years	£0		0.000%
Total Portfolio	£12,380		0.007%

Maturity Structure			
< 1 Week	£73,500,000		43%
< 1 Month	£23,000,000		13%
2 - 3 Months	£55,000,000		32%
3 - 6 Months	£5,000,000		3%
6 - 9 Months	£7,000,000		4%
9 - 12 Months	£7,000,000		4%
12 Months+	£0		0%
Total	£170,500,000		100%

SLY Model

Carmarthenshire County Council

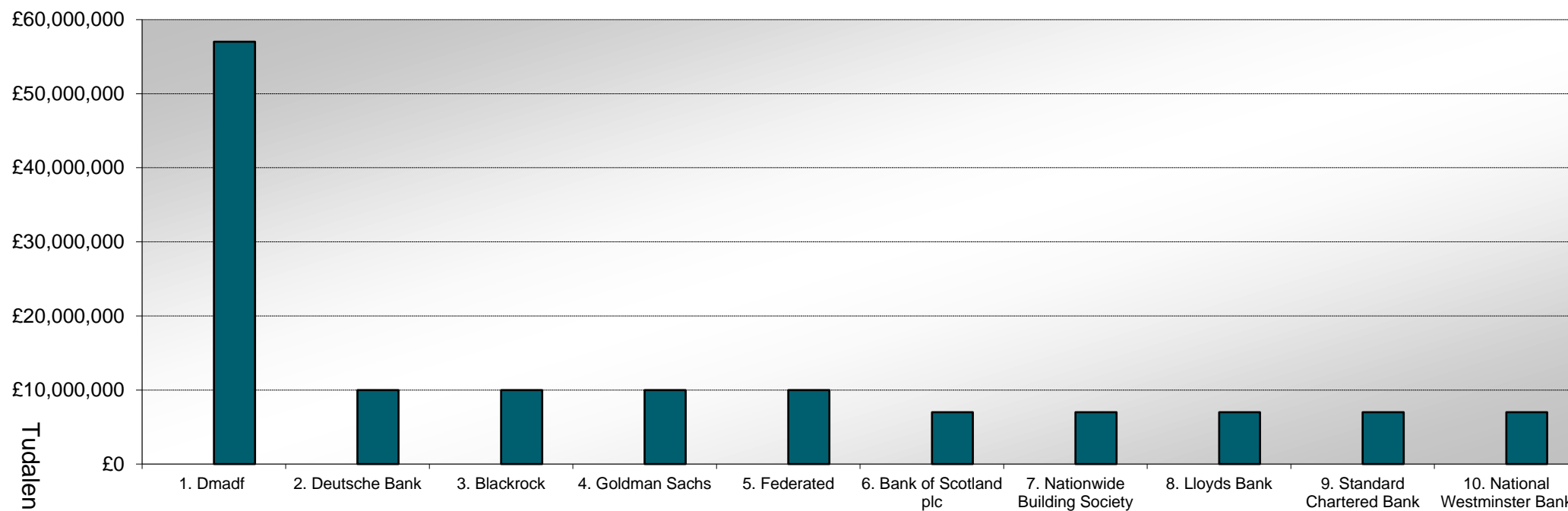
31/12/2023

Mae'r dudalen hon yn wag yn fwiadol

Top 10 Counterparty Holdings

Carmarthenshire County Council

Counterparty	Principal	% of Total Holding	WAM (Days)	WAYield	WADefault
1. Dmadf	£57,000,000	41.01%	52	5.19%	0.002%
2. Deutsche Bank	£10,000,000	7.19%	1	5.26%	0.000%
3. Blackrock	£10,000,000	7.19%	1	5.32%	0.000%
4. Goldman Sachs	£10,000,000	7.19%	1	5.23%	0.000%
5. Federated	£10,000,000	7.19%	1	5.37%	0.000%
6. Bank of Scotland plc	£7,000,000	5.04%	1	5.15%	0.000%
7. Nationwide Building Society	£7,000,000	5.04%	299	5.24%	0.077%
8. Lloyds Bank	£7,000,000	5.04%	187	6.22%	0.048%
9. Standard Chartered Bank	£7,000,000	5.04%	1	5.26%	0.000%
10. National Westminster Bank	£7,000,000	5.04%	87	4.55%	0.022%



Mae'r dudalen hon yn wag yn fwiadol

CABINET

19 CHWEFROR 2024

STRATEGAETH LEOL RHEOLI PERYGL LLIFOGYDD AC ERYDU ARFORDIROL**Y Pwrpas:**

Mae Adran 10.7 o Deddf Rheoli Llifogydd a Dŵr 2010 yn ei gwneud yn ofynnol i bob Awdurdod Lleol gyhoeddi eu strategaeth a'u cynllun rheoli perygl llifogydd lleol.

Bydd y strategaeth, a gefnogir gan gynllun mwy tactegol, yn egluro ein sefyllfa bresennol o ran rheoli perygl llifogydd ac erydu arfordirol, ein nodau ar gyfer 2030 a sut y byddwn yn eu cyflawni. Dyma'r strategaeth leol; bydd cynllun yn cael ei gynhyrchu yn Ch4.

Yr argymhellion / penderfyniadau allweddol sydd eu hangen:

Bydd angen cymeradwyaeth lawn gan y cyngor cyn cyhoeddi'r strategaeth.

Y rhesymau:

Mae'r adroddiad yn ofyniad statudol a bydd angen ei gyhoeddi ar-lein

Angen i'r Cabinet wneud penderfyniad	OES
Angen i'r Cyngor wneud penderfyniad	OES

YR AELOD CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:-

Y Cynghorydd Aled Vaughan Owen – Newid Hinsawdd, Datgarboneiddio a Chynliadwyedd

Y Gyfarwyddiaeth:

Enw Pennaeth y Gwasanaeth:

Rhodri Griffiths

Awdur yr Adroddiad:

Ben Kathrens

Swyddi:

Pennaeth Lle a
Chynaliadwyedd)

Rheolwr Amddiffyn rhag
Llifogydd ac Addasu'r
Arfordir

Cyfeiriadau e-bost:

rdgriffiths@sirgar.gov.uk

bkathrens@sirgar.gov.uk

EXECUTIVE SUMMARY

**CABINET
19TH FEBRUARY 2024**

THE FLOOD AND COASTAL EROSION RISK MANAGEMENT LOCAL STRATEGY

We published our first Local Strategy in May 2013, setting out our overarching approach to managing flood risk in Carmarthenshire.

Alongside our strategy, we developed and published a flood risk management plan (the FRMP). The FRMP was a more detailed evaluation on an electoral ward level and from this analysis, fifty-five high risk areas were further evaluated.

This document is our second strategy. It will explain how flooding will be managed across Carmarthenshire, consistent with local objectives, measures policies and our cooperate and national strategies. This strategy also provides some background information on FCERM at both a local and national level.

There are chapters that cover how our FCERM duties and plans respond to climate change and how we align with other strategies. It provides insight into the roles and responsibilities pertaining to FCERM in Carmarthenshire and provides an update on our process since our first FRMP in 2018.

The primary purpose of the report is to set out our strategic assessment of flood risk in Carmarthenshire where we have 12,600 addresses at risk of flooding.

Secondly, it aims to formalise and agree our strategic aim which is
“to reduce the number of dwellings and businesses at risk of flooding”

Thirdly, it aims formalise five strategic objectives, and how they align with the national objectives.

- ***Modernise and develop a risk based, thematic approach to flood and coastal risk management.***
- ***Become data and information rich.***
- ***Champion NFM, sustainable drainage and nature based solutions;***
- ***Educate, advise and empower our communities to become more resilient.***
- ***Promote and support community adaption and partnership working.***

Finally, agree the 10 measures which will in turn deliver the 5 strategic objectives above.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Rhodri Griffiths

Head of Place & Sustainability

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Bio-diversity & Climate Change
NONE	YES	NONE	YES	NONE	NONE	NONE	YES

2. Legal

S10.7 of the Flood and Water Management Act 2010 requires all Local Authorities to publish their local flood risk management strategy and plan.

'The local flood risk management strategy and plan is a Council function'

Linda Rees-Jones (26 Sept 2023)

3. Finance

The finance element and costings will be delivered as a part of the tactical Flood Risk Management Plan. It is proposed that this is brought to CMT in early summer (April / May)

The £225k annual WG revenue grant will be lost in 2025-26 to the RSG.

4. ICT

ICT will play a key role in managing flood risk and adapting our communities to better manage the affects of climate change.

One of our 5 objectives is to become data rich. That will need both the systems to capture that information, but also systems to store and interrogate that data.

Measure 1 of 10 is to adopt and implement a risk based, thematic incident management system. We would view this as a priority both in terms of ensuring that services are delivered efficiently and prioritised accordingly but also in maximising the customer experience and affording operational departments the necessary data to develop robust business cases for future funding.

7. Staffing Implications

The staffing implications will be tabled as a part of the tactical Flood Risk Management Plan. It is proposed that this is brought to CMT in early summer (April / May)

8. Biodiversity and Climate Change

Chapter-3 in the attached details how this report will seek to address climate change

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below:

Signed: Rhodri D Griffiths

Head of Place & Sustainability

1. Scrutiny Committee request for pre-determination

NO

If yes include the following information: -

2. Local Member(s) - N/A

3. Community / Town Council - N/A

4. Relevant Partners - N/A

5. Staff Side Representatives and other Organisations - N/A

CABINET MEMBER PORTFOLIO
HOLDER(S) AWARE/CONSULTED

YES

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THERE ARE NONE

Carmarthenshire County Council's Local Flood Risk Management Strategy 2024-2030

A strategy for the management of flood risk across Carmarthenshire.

February 2024

carmarthenshire.gov.wales

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1 Foreword

As a society, we are faced with a climate emergency, and it is our responsibility to take proactive measures to safeguard our communities and minimize the potential devastation caused by flooding and coastal erosion.

In our pursuit to manage flood risk and coastal erosion effectively, we recognise the need to foster wider community resilience. By engaging and empowering our communities, we can collectively build a more resilient society that is better equipped to withstand the impacts of climate change. This Strategy emphasises collaboration and participation, acknowledging that individual actions contribute to the overall resilience of our entire community.

Furthermore, we understand the significance of aligning our flood risk management and coastal adoption interventions with the natural environment. Our interventions must enhance the natural landscape, working in harmony with nature to deliver multiple benefits and improve the overall well-being of our communities. By developing this approach, we not only mitigate against the flood risk but also create habitats and enhance biodiversity which will enrich the lives of our citizens and promote better health and wellbeing.

However, we must acknowledge the financial constraints faced at this time in delivering such ambitious plans. As our resources become increasingly scarce, it is vital we explore innovative solutions and seek partnerships to optimise our effectiveness. In doing so we must ensure that our limited resources are prioritised in those communities at greatest risk and that we achieve the greatest outcomes possible.

Looking ahead to the next 7 years to 2030, we recognise the importance of a community-led approach in flood risk management and coastal adaption. We understand that our citizens and businesses possess invaluable insights, experience and knowledge about their community, and it is imperative that we harness this wealth of information. By involving our communities and businesses at every stage of the decision-making process we can create tailored solutions and strategies that are rooted in the local needs and aspirations.

To accomplish our goals, we must also encourage better provision of information from our citizens and businesses. By fostering a culture of collaboration, transparency, and openness we can tap into the collective wisdom and expertise of our diverse stakeholders thereby enhancing the efficiency of our measures and actions.

Lastly we must recognise the significance of strategic partnerships with other risk management authorities (RMAs). Collaboration on a catchment scale will allow us to pool our resources, expertise and knowledge, enabling us to address flood risk and coastal erosion more effectively and efficiently. Through co-operation, we can achieve a greater level of risk management for our communities and better deliver our shared objectives.

In conclusion, this new flood risk management strategy encapsulates our commitment to managing climate change, promoting community resilience and wellbeing, and enhancing the natural environment with nature-based solutions. By adopting a community-led approach, collaborating with partner RMAs and optimising our resources we endeavour to build a safe and prosperous sustainable future for all. Only together we can navigate the challenges of climate change and empower our communities to mitigate their flood risk for their greater health and wellbeing.

2 Introduction

2.1 The need for a Local Strategy

The Flood and Water Management Act 2010 requires all 22 Lead Local Flood Authorities (LLFAs) in Wales to produce a Local Flood Risk Management Strategy (Local Strategy). The Welsh Government’s National Strategy for Flood and Coastal Erosion Risk Management (FCERM) in Wales (National Strategy) sets out that over 245,000 properties across Wales are at risk of flooding from rivers, the sea and surface water, with almost 400 properties also at risk from coastal erosion. The National Strategy explains that, as the climate changes, we can expect those risks to increase, with more frequent and severe floods, rising sea levels and faster rates of erosion of the coast.

The National Strategy sets out the legislative context to FCERM activities in Wales. In certain cases, Local Authorities are also required to produce Flood Risk Management Plans (FRMP), under the 2009 Flood Risk Regulations.

Different Risk Management Authorities (RMAs) in Wales lead in managing flood risk from different sources. LLFAs lead on “local flood risk” but have no statutory duty to protect people from flood risk.

In Carmarthenshire, local flood risk is flooding from:

- **Surface water runoff**
- **Groundwater; and**
- **Ordinary watercourses (generally smaller watercourses)**

This Local Strategy focuses on these local sources of flood risk, but as Carmarthenshire also has 90km of coastline, we have considered these risks also.

2.2 The purpose of our Local Strategy

We published our first Local Strategy¹ in May 2013, setting out our overarching approach to managing flood risk in Carmarthenshire.

Alongside our strategy, we developed and published a flood risk management plan (FRMP)². The FRMP was a more detailed evaluation on an electoral ward level and from this analysis, fifty high risk areas were further evaluated.

This document is our second strategy. Whilst we previously published our Local Strategy and FRMP separately, several years apart, this time, we aim, to produce and publish the FRMP within three months of the strategy.

These documents will explain how flooding will be managed across Carmarthenshire, consistent with local objectives, measures, policies and national strategies.

2.3 The Structure of this Local Strategy

This document is structured as follows:

Chapter 3 gives an overview of how this Local Strategy responds to climate change.

Chapter 4 summarises how this Local Strategy aligns with our other strategic plans.

Chapter 5 sets out the roles and responsibilities for managing flood risk in Carmarthenshire.

Chapter 6 details our progress since our first flood risk management plan.

Chapter 7 discusses historical flooding in Carmarthenshire.

Chapter 8 describes our strategic Objectives or ambitions for managing flood risk in the coming years, and how these align with the objectives set out in the National Strategy.

Chapter 9 presents a strategic assessment of the risk of flooding across Carmarthenshire.

Chapter 10 presents a strategic assessment of flood risk in Carmarthenshire, on a district level.

Chapter 11 sets out our flood risk management measures. These are broad activities and ways of working which help us to meet our strategic objectives.

Chapter 12 describes how we will use a flood risk management action plan to meet our measures.

¹ [Flood Risk Strategy and Management Plan \(gov.wales\)](https://gov.wales)

² [Flood Risk Strategy and Management Plan \(gov.wales\)](https://gov.wales)

Chapter 13 set out our funding and prioritisation.

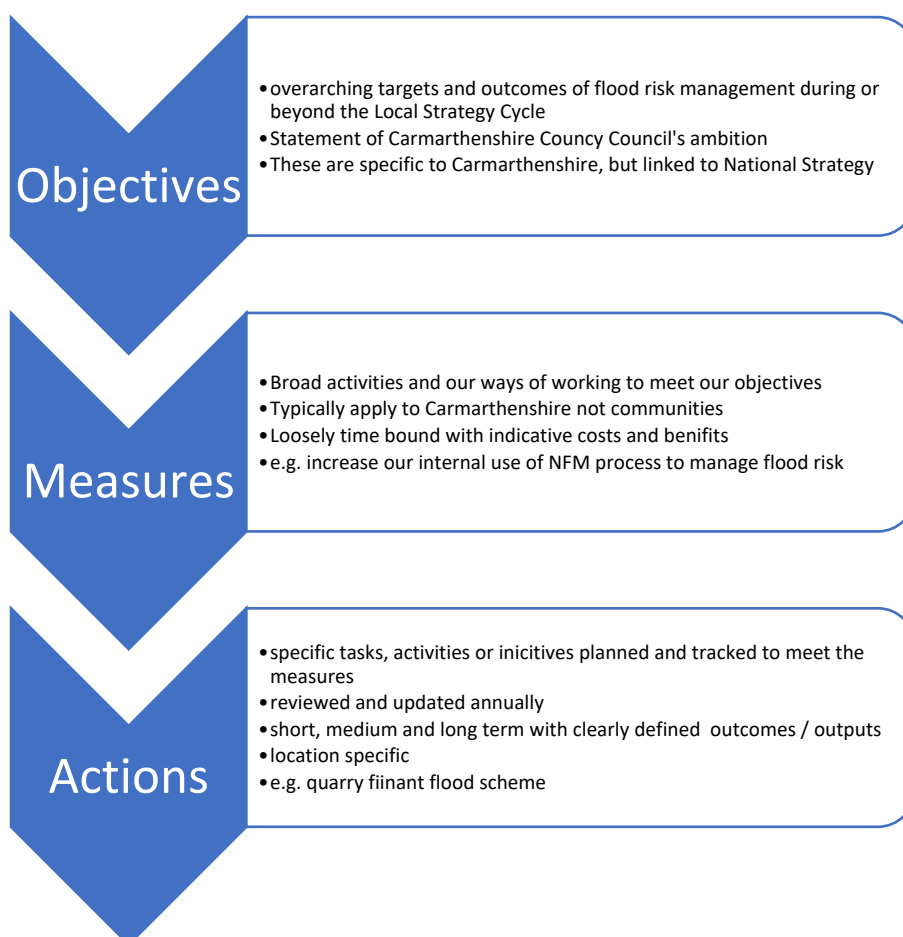
Chapter 14 sets out what environmental assessments will accompany this document to ensure we are compliant with our Environment Act duties and responsibilities.

Chapter 15 describes how we will measure and monitor our progress in delivering the objectives, measures and actions set out in this Local Strategy.

2.4 Targets within this Local Strategy – Objectives, Measures and Actions

This Local Strategy sets out our flood risk management Objectives, Measures and Actions. These three groupings provide different levels of detail on how flood risk will be managed. The meaning of each is summarised below in Figure 1:

Figure 1 – How objectives, aims and measures will be utilised to deliver our FCERM Local Strategy.



3 How this strategy responds to climate change

3.1 Climate change risk in our area

The Senedd was the first Parliament in the world to declare a climate emergency. Climate change is likely to increase the risk of flooding across Wales, not only through sea level rise but also from more frequent and intense storms, flash flooding and storm surges.

Carmarthenshire County Council are committed to tackling climate change and acknowledge that we have a significant role to play in both further reducing our own greenhouse gas emissions and providing the leadership to encourage residents, businesses, and other organisations to take action to cut their own carbon footprint.

In February 2019, we declared a climate emergency, and made a commitment to becoming a net zero carbon local authority by 2030. We have since become the first Local Authority in Wales to publish a [net zero carbon action plan](#)³, which was endorsed by full Council in February 2020.

We are taking a pragmatic approach towards becoming a net carbon zero local authority by 2030, with our initial focus being on our measurable carbon footprint. This does not preclude other wider actions to address the climate emergency, which are being carried out across Council departments.

In February 2022, we also declared a nature emergency to mitigate the decline in our natural fauna and flora.

This Local Strategy will help to mitigate against some of the impacts of the climate and nature emergencies in our area.

The objectives, measures and actions it identifies will help us to reduce the risk of flooding where we can, as well as adapt our communities and infrastructure to become more resilient to flooding when it occurs.

3.2 How our strategy addresses these risks

The list below, while not exhaustive, documents how our FCERM activities will seek to have positive impact on climate change.

³ Route Towards becoming a Net Zero Carbon Local Authority: Carmarthenshire Council Council's Strategy (Feb 2020).

- Use of the Flood Map for Planning (FMfP) in undertaking flood risk assessment, which includes climate change allowances.
- We will utilise the WG guidance on [Adapting to Climate Change](#)⁴, with climate change allowances for FCERM scheme designs.
- We will develop and promote natural flood management schemes and nature-based solutions to reduce our capital works carbon footprint.
- We will implement FCERM interventions alongside and in collaboration with:
 - Our tree and woodland strategy
 - Our blue and green infrastructure strategy
 - Our phosphates and nitrates strategy
 - Our LDP
- We will continue to work with the Welsh Coastal Monitoring Centre (WCMC) to deliver the actions within the Shoreline Management Plan 2, but also monitor and develop an understanding and evidence base of how our coastline is changing.
- We will work with fellow Risk Management Agencies (RMA) such as NRW and DCWW.
- We ensure all new developments follow the latest sustainable drainage design guidance and factor in allowances for climate change.

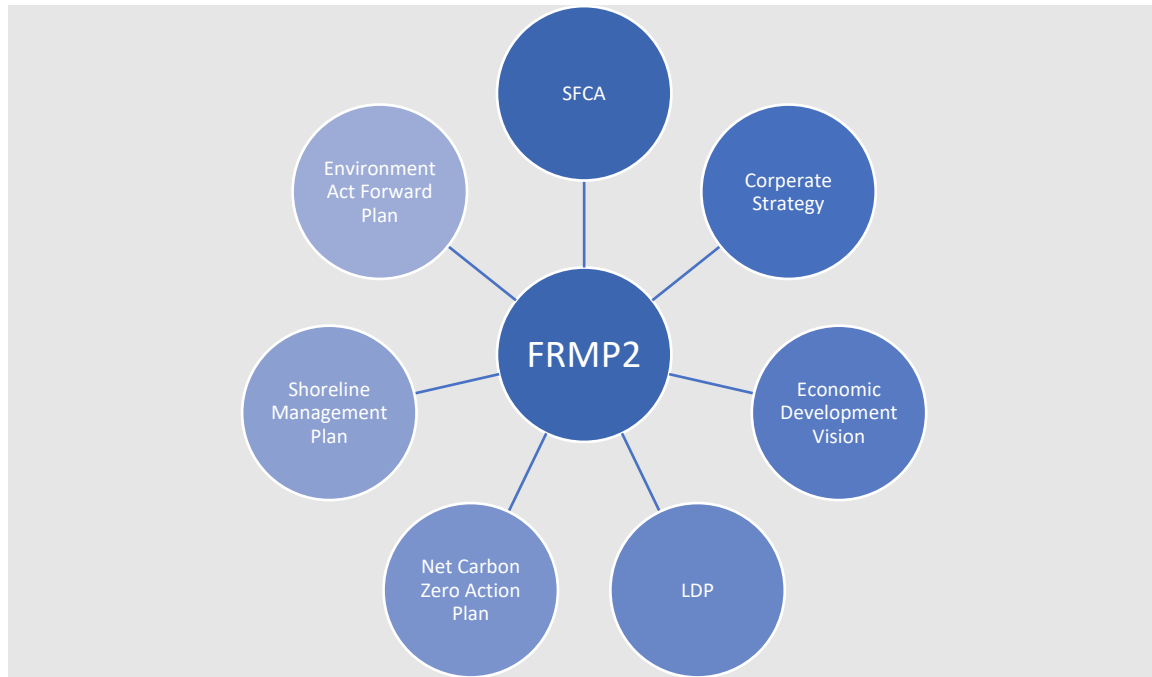
⁴ The Welsh Government, 2022, Adapting to Climate Change: Guidance for Flood and Coastal Erosion Risk Management Authorities in Wales

4 Co-ordination

4.1 How this strategy aligns with our other strategic plans

In developing our Local Strategy, we have worked with the following plans:

Figure 2 details the principal plans and strategies that have been considered in the development of the FCERM Local Strategy which include:.



4.2 Co-ordination with others

We are committed to working in partnership with RMAs, local communities, business and third sector organisations to achieve our FCERM goals and outcomes.

We are adopting a catchment-based approach to managing flood risk in Carmarthenshire in line with our partner RMAs. We aim to promote forward planning and a holistic, thematic approach to FCERM which promotes collaborative working, whilst also delivering wider social, economic and environmental benefits. The implementation of Natural Flood Management (NFM) measures, nature based solutions (NBS) and sustainable drainage (SUDs) will be a large part of our commitment to working closely with partner organisations.

This Local Strategy has been developed in co-ordination with the strategic planning processes and plans of other Risk Management Authorities (RMAs). A summary of which has been detailed below:

- West Wales River Basin management Plan ([NRW](#))

- NRW's FRMP
- Water Resources Management Plan
- Drainage and Wastewater Management Plan
- Network Rail's Asset Management Plan

We will continue to coordinate the delivery of our objectives, measures and actions through future consultation and engagement activities with RMAs, particularly in the development of our updated flood and water management related plans.

We also recognise the importance of enhancing our Local Strategy with the public and input knowledge they have. As such, we have undertaken public engagement and consultation activities in the development of this Local Strategy. The details and outcomes of both engagement and consultation activities are discussed in Appendix A.

5 Roles and responsibilities for managing flood risk

Flood risk in Carmarthenshire is managed by multiple agencies, depending on the source of the flooding. CCC, as the Lead Local Flood Authority (LLFA), take the lead on local sources of flood risk as defined in 2.1. We also manage elements of tidal flooding and coastal erosion in partnership with NRW. We are also responsible for parts of the sewer network that service our property and housing stock that are not private of DCWW assets.

5.1 Sources of flooding and key points of contact

5.1.1 Surface Water Flooding

This occurs when heavy rainfall exceeds the capacity of the local drainage networks and ground to absorb it. This can lead to water flowing across the ground and ponding in low-lying areas. This type of flooding is typically caused by short, intense rainfall and is often localised with short lead-times, making it difficult to predict, albeit localised low spots are often affected.

You may report these issues to CCC using the following link [Flooding \(gov.wales\)](#)

If the flooding is on the highways or from the highway, then it should be reported [here](#).

5.1.2 Groundwater flooding

This occurs when the ground becomes saturated and water rises to ground level, or when water flows from normal springs. We are seeing more and more issues of ground water flooding, wet or waterlogged gardens and springs breaking ground. This flooding can be more prevalent after prolonged periods of rain in the autumn and spring.

Currently, there are few strategies to manage ground water flooding, but you can report these issues to CCC using the following link [here](#)

5.1.3 An Ordinary Watercourse

These are defined as watercourses that are not a main river, as defined on the main river map. The definition of a watercourse is broad, but the majority of streams, ditches and rivers in Carmarthenshire will be ordinary watercourses.

Flooding from ordinary watercourses occurs as a result of flows in a watercourse exceeding their capacity, which can result in overtopping and/or breaching of flood defences following heavy rainfall. It can also be caused by debris build up causing blockages to infrastructure.

The riparian landowners are responsible for managing the banks and bed of ordinary watercourses and clearing any debris, including trees, that obstruct normal flow.

You may report these issues to CCC [here](#) and we can assess the risk and speak to the riparian owners accordingly.

5.1.4 Main Rivers

Main rivers are classified and managed by NRW and can be viewed online [here](#). A rough rule of thumb is that these are the biggest rivers in Carmarthenshire e.g. the Teifi, Towy, Cothi, Loughor, Amman etc but their upper reaches are normally ordinary watercourses.

Flooding from main rivers occurs as a result of flows in a watercourse exceeding their capacity, resulting in overtopping and/or breaching of flood defences structures.

Report main river flooding issues to NRW [here](#)

5.1.5 Sewer flooding

Sewers are the responsibility of the asset owners. In most cases in Carmarthenshire that will be Dwr Cymru Welsh Water, but private systems will be the responsibility of their owners or those who derive benefit from them. There can be surface water and / or foul sewers.

Flooding from these systems is normally due to a blockage or damage, but can also be attributed to capacity issues caused by excess surface water entering the drainage network and exceeding the capacity.

Report sewer flooding to DCWW in the first instance [here](#).

5.1.6 Highway Flooding

This is the most reported problem in Carmarthenshire. Highway flooding is when water pools on the carriageway or the walkway, or when the highway gullies and culverts cannot take the volume of the water.

Blockage and blinding is a significant cause of highway flooding and during the Autumn leaf fall, we have a significant volume of incidents during this period.

Residents and businesses are encourage, where it is safe, to clear minor blockage and blinding, but you may report these issues to CCC using the following link [here](#).

5.2 Risk Management Authorities and their functions

Risk Management Authorities (RMA) across Wales include NRW, the 22 Local Authorities, water companies, and the Welsh Government. Each RMA is required to fulfil a number of statutory duties, as defined under the FWMA, but this does not include preventing residents and businesses from flooding. In addition to these statutory duties, the Act sets out a range of permissive powers for RMAs, enabling them to undertake defined activities if they so wish.

5.3 Other responsible partners

In Carmarthenshire, the following groups also have a key role to play in the management of flood risk:

- Riparian landowners - [guide to rights and responsibilities of riverside ownership in Wales](#)⁵.
- Local partnerships, forums and community groups
- Property owners
- Housing associations (Pobl, Bro Myrddin etc)
- Farming unions (NFU, FUW)
- Network Rail

5.4 How we manage flooding incidents in Carmarthenshire

5.4.1 Prior to flooding incidents

We undertake daily monitoring of the weather (principally rainfall) and the tides via a flood incident duty officer (FIDO) system on a weekly rota basis.

⁵ NRW, 2017, A guide to your rights and responsibilities of riverside ownership in Wales

The primary duty of the FIDO is to monitor the rainfall, tides and storm surge and inform the Flood Defence and Coastal Protection Manager of any issues.

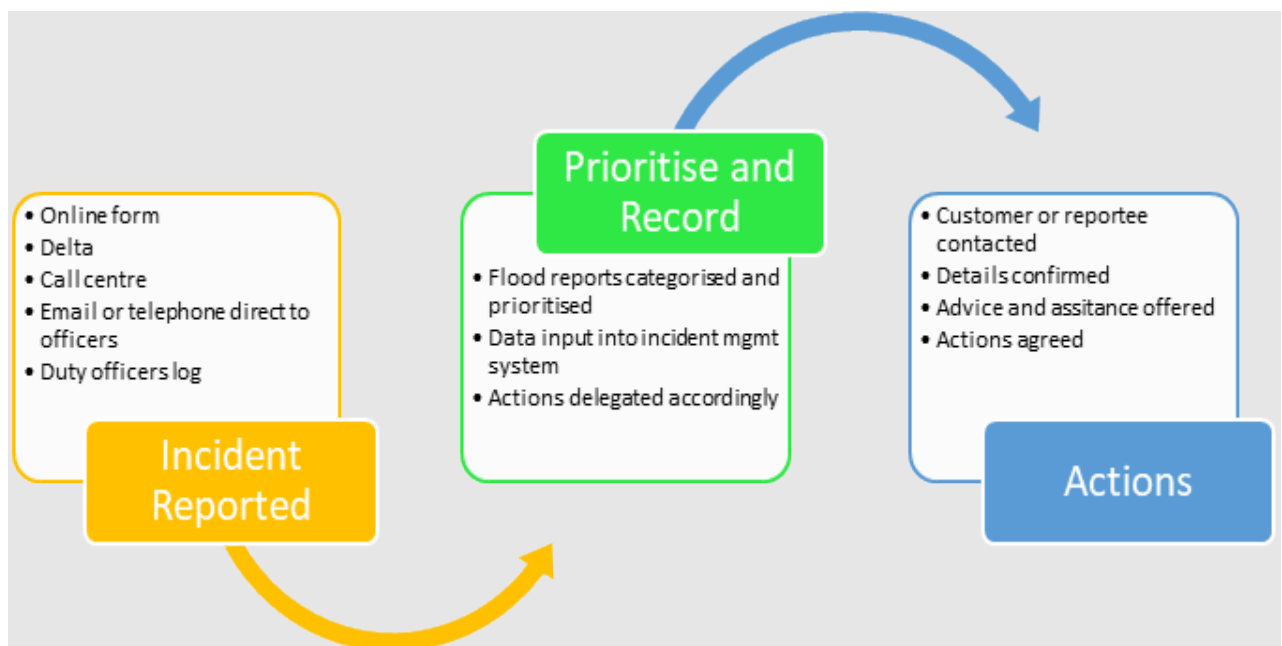
When severe weather, storms or high tides are forecast, the team instigate preparatory operational actions, which can range from media communications and pre-storm asset checks, to instigating emergency planning protocols and ensuring additional operational staff are available.

5.4.2 During a flooding incident,

Flooding issues are reported to us via an [online system](#) or via the call centre during office hours (01267 234567) or via Delta Wellbeing out of hours (0300 333 2222).

We operate an incident classification system and a prioritisation schedule, thus ensuring that the incidents with highest risks are actioned first e.g. risk to life, high speed roads, internal flooding.

All incidents are recorded to ensure we understand the severity of the incident. This informs future priorities and works.



5.4.3 Post the storm

This is the recovery phase and incident investigation. We ensure that residents and businesses are supported as much as is possible, and we aim to understand why flooding has happened.

When 20 or more properties have been affected by internal flooding, in any geographical area, we undertake a formal incident investigation, as required under S19 of the Flood and water Management Act 2010.

The details of who and what has been affected, and the severity are logged on our FCERM database and used to inform future works programming and studies. We submit annual applications for funding to Welsh Government, and our flood risk 'intelligence', namely data from reported incidents and investigations, helps support those applications.

5.5 Other FCERM duties

In addition to our flood incident management duties, CCC as an LLFA, also undertake the following duties:

5.5.1 Asset management

We undertake annual inspection of over 300 above ground flood risk assets⁶ and 5-miles⁷ of underground culverts.

Post these surveys we prioritise repairs and maintenance, and then procure and manage those repairs.

We undertake an annual programme of exploratory surveys and data gathering, focusing on areas of high flood risk where we are data poor.

All of this is recorded and managed via our asset management system.

5.5.2 Consenting and permitting

As the Sustainable Drainage Approval Body (SAB) we consent all SuDS drainage systems on new developments in Carmarthenshire. Where the SuDS system serves more than 1 dwelling, there is a statutory duty for us to adopt the SuDS system. This involves a legal adoption process and payment of a commuted sum. We inspect every drainage system⁸ consented at least once to ensure compliance.

We also consent works on ordinary watercourses under S23 of the Land Drainage Act 1991.

⁶ Numbers based on inspection programme 2021-2023

⁷ Average length of culvert surveyed per year from 2021 to 2023

⁸ With the exception of forestry commission consents.

We provide expert advice and guidance to the Local Planning Authority on over 650 applications per year⁹

5.5.3 Capital works programme.

In recent years we have developed and expanded our FCERM capital works programme. We aim to upgrade two FCERM assets annually (subject to funding) plus operate a pipeline programme of flood risk management schemes. Our ambition is to feed the pipeline annually by applying for WG funding for outline business case development. If successful, these business cases, subject to funding, are taken forward to full business case and detailed design culminating in construction in the medium to longer term. A summary of our current capital works programme can be viewed in Appendix B.

5.5.4 Reservoirs

We manage four reservoirs in Carmarthenshire in line with the Reservoirs Act 1975. All four are inspected annually by an external Supervising Engineer. Actions from these inspections are delivered within the specified timescales.

5.5.5 Coastal Adaption and Risk Management

We have over 90km of coastline in Carmarthenshire, 20km of which is afforded man-made protection from flooding and / or erosion. The Shoreline Management Plan 2 (SMP2) is the primary policy document pertaining to the management of our shoreline and we have 87 actions within this document to deliver¹⁰.

Looking forward, we are seeking to work more closely with coastal communities, to advise them on the effects of climate change and develop an understanding of how they wish to adapt to these future challenges.

5.6 Key policies

We currently have the following policies pertaining to flood and coastal erosion risk management in Carmarthenshire.

⁹ Average number of consultations 2021-2023 (Arcus)

¹⁰ Shoreline Management and Coastal Adaption in Carmarthenshire; CMT and Scrutiny Committee paper (2023)

- Sandbags¹¹

Over the medium term, we will be seeking to develop policies, in collaboration with internal and external partners on

- Sustainable drainage (SuDS) infrastructure;
- Blue and green infrastructure;

¹¹ CCC Sandbag policy (2022) - <https://www.carmarthenshire.gov.wales/media/1231613/2022-sandbag-policy.pdf>

6 Our progress since FRMP-1 (2019-2023)

We published our first [flood risk management plan in 2019](#). Part-1 was an electoral ward level, high level analysis of surface water risk. It focused on higher level themes and measures, rather than operational actions.

We can report that:

- 62.5% of the measures in part-1 were implemented in the areas of greatest flood risk, in line with best practice, and more recently the Welsh Government National Strategy for flood and coastal erosion risk management.
- 12.5% of the measures in part-1 were implemented county wide and
- 25% of the measures in part-1 were superseded by other measures or operational actions from part-2 of the FRMP, as detailed below.

Part-2 of the plan was an operational analysis of the areas at greatest risk from surface water flooding in Carmarthenshire. 50 areas of highest risk were identified as 'policy unit' areas or high-risk surface water flood risk areas across Carmarthenshire, and they have been the operational focus during the life cycle of this plan.

- **96% of all actions in Part-2 have been completed.**

Only 4% remain 'un-actioned'. The actions pertaining to partnership working and liaison with other Risk Management Authorities (RMAs) has been disrupted by COVID-19, staff changes and differing priorities. New contacts are being sought with partner RMAs both locally and regionally to move these forwards in 2024.

In addition to the documented actions in the plan, in 40% of the highest risk areas, additional actions and interventions, over and above what was laid out in the plan, have been undertaken or are currently being delivered. Key delivery highlights are detailed in Figure 3 below.

Figure 3 – table of actions undertaken in higher risk areas 2019-2023

Year	Project Name	Details	No. of Properties Benefiting
2019	New school road, Garnant	New trash screen, affording greater flood resilience	
	Bishops Road, Garnant	New trash screen affording greater flood resilience	
	Llanybydder Dairy	New enlarged culvert under the B4337 decreasing the risk of blockage and flooding	
2020	Reservoir Road, Carmarthen	New Trash Screen affording greater flood resilience	
2021	COVID-19		
2022	Brynglas, Drefach	New structure and Trash Screen affording greater flood resilience	
	1904 Outfall, Ferryside	Repair to damaged sea outfall	
	Llansteffan Middle Sea Outfall	Repair to damaged sea outfall	
2023	Quarry Ffinant Culvert, Newcastle Emlyn	Replacement of a collapsing culverted watercourse affording greater flood resilience to local properties and Newcastle Emlyn town centre	
	Margaret Street NFM	Creation of 4 ponds and 13 leaky dams in Carmarthenshire's first Natural Flood Risk Management Scheme -	
	Cae Ffynnon stream	Re-profiling of a small stream and construction of stop logs to manage flood risk from out of bank flood flows	
	Telemetry	We are trialing telemetry at some of our assets around the county to give us a better intelligence pertaining to water levels and flows.	

7 Historic Flooding in Carmarthenshire

There has been significant flooding recorded in Carmarthenshire over many years. Our records suggest that during 1987 Carmarthenshire saw its worst flooding on record, with communities in the Towy and Teifi valleys significantly affected.

More recently, Storm Callum in October 2018 caused widespread flooding, with most residents agreeing that this was the worst flooding since 1987. Again the communities across the county were significantly affected with the worst areas affected being Pont Tyweli, Llanybydder and Carmarthen¹². Post Storm Callum, Storms Dennis (February 2020) and Storm Christoph (January 2021) had a considerable impact on council services and our emergency response.

In recent years, improvements to our processes and systems have allowed us to better capture information pertaining to flooding across Carmarthenshire. However, a large percentage of our data and intelligence comes from our citizens and businesses.

In Appendix C, we have collated a list of the significant flooding events from 1929 to the present day, but we acknowledge that this not a complete picture. As such, we will use our ongoing community and public consultation events to develop this further and better understand our areas of flood risk.

¹² Investigation into Flooding – Storm Callum, 12-14 October 2018. [s19-storm-callum-vp223.pdf \(gov.wales\)](#)

8 Strategic Objectives

8.1 Strategic Objectives in Carmarthenshire

For our Local Strategy, we have developed our own strategic objectives, which align with the National Strategy objectives, and also reflect our local context and priorities.

OUR AIM IS TO REDUCE THE NUMBER OF DWELLINGS AND BUSINESSES AT RISK OF FLOODING.

Our strategic objectives are to:

- **Modernise and develop a risk based, thematic approach to flood and coastal erosion risk management.**
- **Become data and information rich.**
- **Champion NFM, sustainable drainage and nature-based solutions.**
- **Educate, advise and empower our communities to become more resilient.**
- **Promote and support community adaption and partnership working.**

8.2 National Strategy Objectives

The Welsh Government National FCERM Strategy sets out an overarching aim to reduce the risk to people and communities from flooding and coastal erosion. It identifies five objectives for delivering this aim. These are summarised below in Figure 4.

8.3 How we meet the national objectives

While the focus of our Local Strategy must be Carmarthenshire, we must also have regard for the Welsh Government's National FCERM Strategy¹³ and our aims and objectives need to support the delivery of the national objectives. Figure 5 below demonstrates how our aims and objectives link into the national strategy aims and objectives.

¹³ Welsh Government 2020 [National Strategy for Flood and Coastal Erosion Risk Management in Wales | GOV.WALES](#)

Figure 4 – WG FCERM National Strategy aims and objectives.

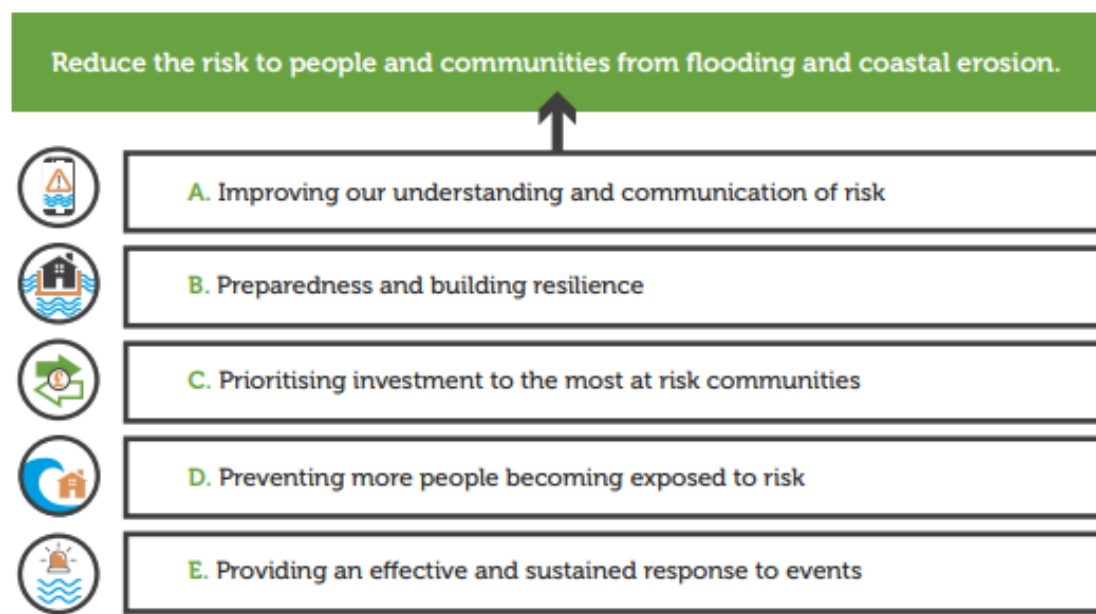


Figure 5 – CCC FCERM Local Strategy aims and objectives.

CCC FCERM Local Strategy AIM – Reduce the number of properties and business at risk of flooding					
CCC FCERM LOCAL STRATEGY OBJECTIVES	National Strategy Objectives				
	A	B	C	D	E
Modernise and develop a risk based, thematic approach to flood and coastal risk management.	X	X	X	X	X
Become data and information rich.	X		X	X	
Champion NFM, sustainable drainage, and nature-based solutions.	X	X		X	X
Educate, advise, and empower our communities to become more resilient.	X			X	
Promote and support community adaption and partnership working.	X	X		X	X

9 What is the risk of flooding in Carmarthenshire?

9.1 How we assess flood risk (methodology)

Our assessment of flood risk is central to achieving our aims and objectives. Without an understanding of flood risk in Carmarthenshire, we are not able to prioritise our resources, or focus on helping those at greatest risk¹⁴.

There are many sources of data that can be utilised to develop our knowledge of flood risk. Flood risk maps, together with improved asset data and modelling, has provided us with a much more enhanced and accurate understanding of local flood risk.

For the purpose of identifying the areas in Carmarthenshire at greatest risk from flooding, we have used the community at risk register (CaRR)¹⁵ as our primary data set, and then supplemented that with our own flood incident data.

The CaRR has been developed to provide an objective means of identifying risk and prioritising flood risk management activities at a Wales-wide, community level. It applies a standard methodology across all flood sources to calculate a theoretical 'danger score' that allows comparative risks to be quantified and ranked (from High to Low).

The CaRR comprises a spreadsheet that identifies and ranks individual communities for,

1. a natural, 'undefended' scenario, and
2. a mitigated scenario (based on the presence of defences and flood warning).

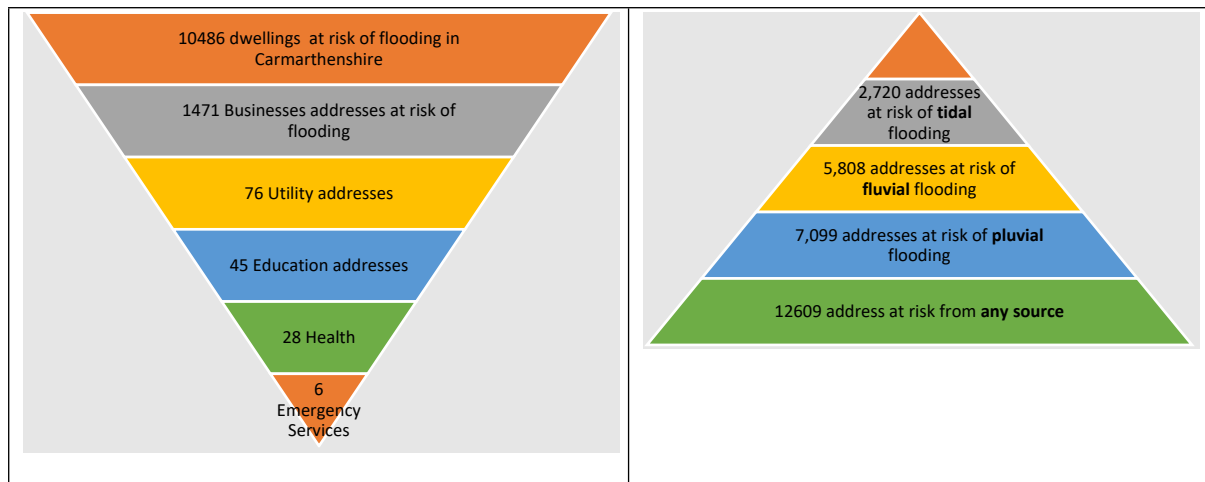
9.2 Carmarthenshire's Strategic Flood Risk

The first part of our strategic assessment was to use the CaRR data to provide a high-level overview of flood risk in Carmarthenshire. Using the GIS risk data, we have been able to calculate that there are over 12,600 addresses at risk of flooding in Carmarthenshire. This same data set also allows us to break down those addresses into categories including by the source of flood risk. This is shown in below in Figure 6.

¹⁴ WG FCERM National Strategy; objective-C

¹⁵ Data Map Wales, 2023 [Communities at Risk Register \(CaRR\) | DataMapWales \(gov.wales\)](#)

Figure 6 – Addresses at risk of flooding in Carmarthenshire by usage type and by flood risk source.



This same data source allows us to evaluate what is at risk of flooding (risk receptors) across Carmarthenshire. These risk receptors give an overview of what is at risk and for the purpose of this evaluation and to highlight changes across different scenarios we have compared high risk (3.33% AEP), medium risk (1% AEP) and low risk (0.1% AEP) scenarios. Some guidance on AEP is given in

Figure 7 and Figure 8 displays data on the risk receptor basis across the county.

Figure 7 - a definition of Annual Event Probability

Annual Event Probability AEP refers to the likelihood or change of a specific flood event occurring that year. It measures the frequency of that event in the defined period of time.

Figure 8 - Key flood risk receptors in Carmarthenshire.

Risk Receptor	High Risk 1 in 30 AEP	Medium Risk 1 in 100 AEP	Low risk 1 in 1000 AEP
Residential Properties Fluvial	754	1630	4744
Residential Properties Pluvial	1841	2633	6023
Residential Properties Tidal	1773	2125	2347
Non-residential properties Fluvial	174	393	927
Non-residential properties Pluvial	295	484	946
Non-residential properties Tidal	173	250	311
Essential Services WSP	94	168	311
Essential Services Fluvial	19	36	83
Essential Services Pluvial	54	87	158
Essential Services Tidal	21	45	70
Trunk Roads (km)	25.3	11	39
Railways (km)	19	10	23
Agri Land - Grades 1-3	7663	1442	2793
SACs	8114	158	218
SPAs	2009	158	218
Ramsar	1906	12	13
SSSIs	8942	214	373
SINC	0	0	0
National Nature Reserves	120	6.5	14
LNR	130	12	11
Ancient Woodland	574	96	233
Parks and Gardens	47	13	24
Country Parks	738	124	377
Scheduled Ancient monuments	8	1	3.3
Listed buildings	171	43	140
LDP Total Sites	129	143	198
LDP Business	72	81	104
LDP Residential	57	62	94
FLOOD RISK INFORMATION			
FCERM assets		7500	
Number FCERM Incidents		863 ¹⁶	
Main River Length (NRW Remit)		770	
Main Rivers (NRW remit)		81	

9.3 Flood risk, a national comparison

While not a primary focus of managing flood risk in Carmarthenshire, we must acknowledge that WG fund nationally, on a risk basis, and they are predominately focused on reducing and managing residential flood risk. Other national partners such as DCWW and NRW also operate nationally and prioritise on a national rather than regional level.

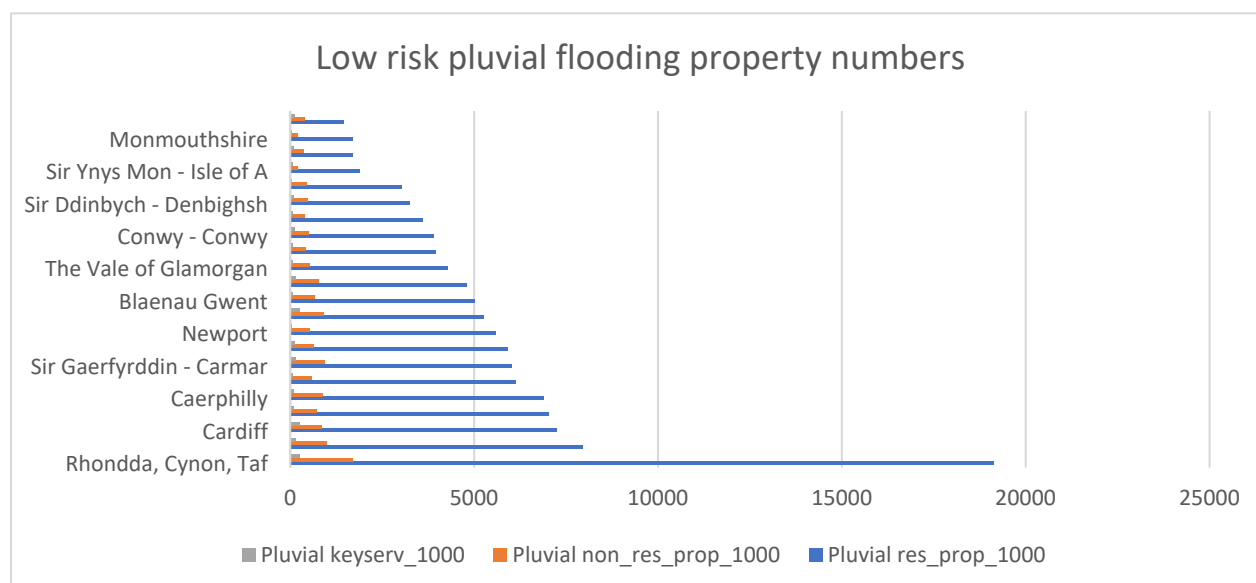
¹⁶ FCERM incident recorded post the implementation on an intergraded asset and incident management system in September 2017

9.3.1 Comparing pluvial (surface water) flood risk nationally

In terms of pluvial flood risk, the Rhondda Cynon Taf (RCT) area has the greatest number of properties at low risk of flooding with a little under 20,000 residential properties. Swansea is ranked second with just under 8000 residential properties at low risk. In comparison Carmarthenshire has 6,023 residential properties at low risk of pluvial flooding; and we are ranked 7th nationally for the number of properties at risk, Pembrokeshire is ranked 22nd with 1448 properties at low risk.

When you compare the numbers of residential properties at risk of medium and high risk of pluvial flooding, RCT has three to four times more properties at risk than Neath Port Talbot, which is ranked second. Carmarthenshire is ranked 6th as highlighted in Figure 9.

Figure 9 – numbers of properties at low risk of pluvial flooding per Local Authority, across Wales.

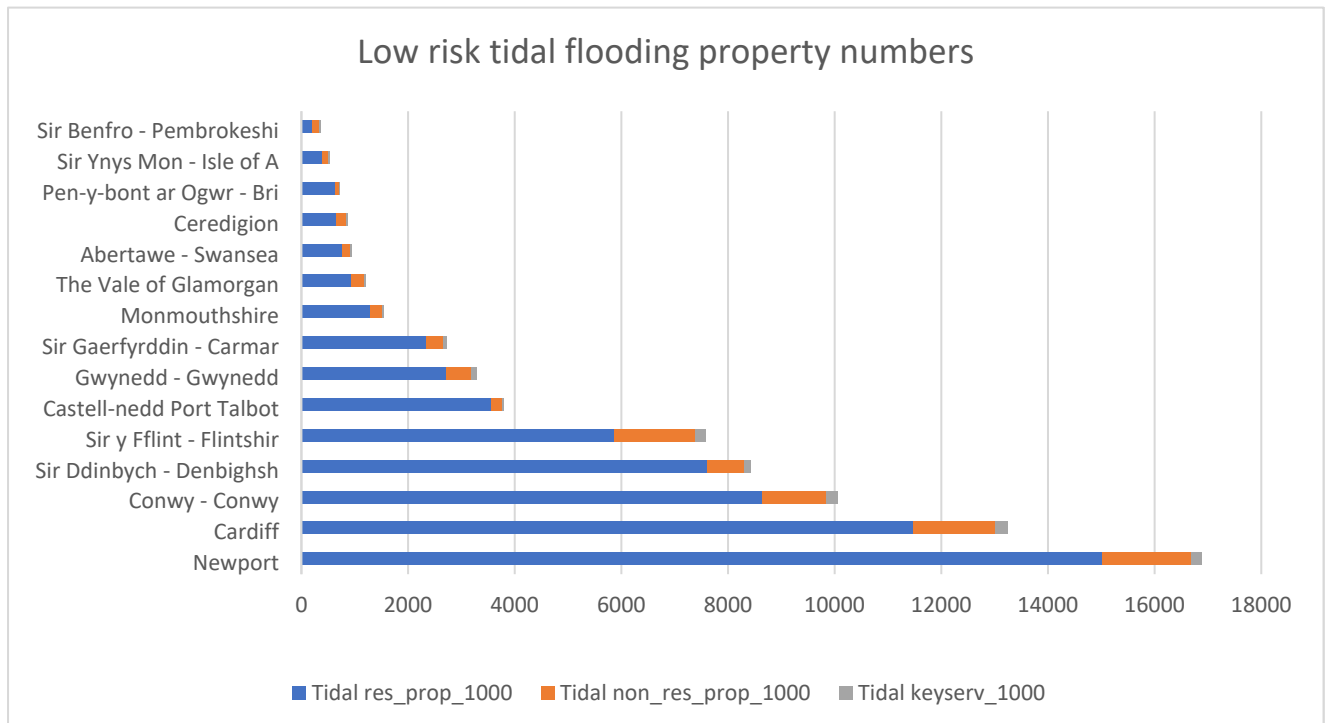


9.3.2 Comparing tidal flood risk nationally

Only 15 of the 22 Local Authorities across Wales have a tidal flood risk. Newport has the greatest number of properties at risk of tidal inundation across all three risk categories (low, medium and high). They have just over 15,000 properties at low risk and just under 12,000 properties at high risk. In comparison Carmarthenshire has 2,347 properties at low risk across its 90km of coastline and 1,773 properties at high risk. We are ranked 8th nationally across all risk categories, comparable in terms of numbers with Gwynedd and Neath Port Talbot. Pembrokeshire has the least number of properties at tidal flood risk with 198 being

at low risk. For comparison the City and County of Swansea has 766 properties at low risk of flooding and only 5 at high risk. The numbers of properties at low risk of tidal flooding per Local Authority is shown in Figure 10 below.

Figure 10 - numbers of properties at low risk of tidal flooding per Local Authority, across Wales.

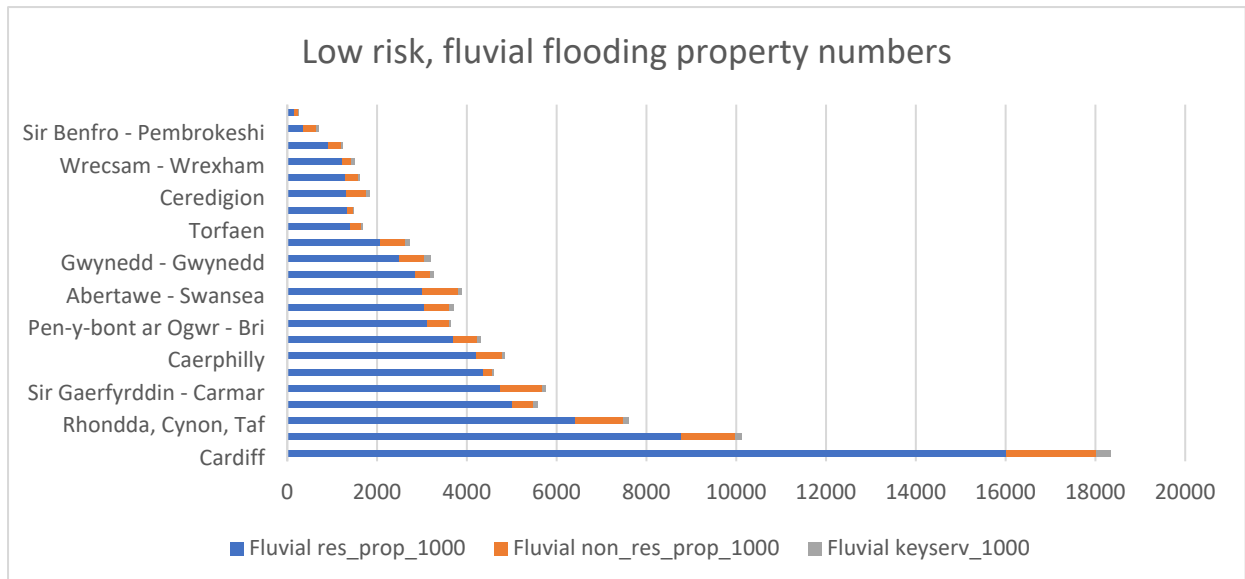


9.3.3 Comparing fluvial flood risk nationally

Carmarthenshire ranks 5th nationally in terms of low-risk fluvial flooding behind only Cardiff, Neath Port Talbot, RCT and Conwy but above Swansea and Newport. There are 4,744 residential properties at low risk of fluvial flooding in Carmarthenshire but over 16,000 in Cardiff which has the greatest number of properties at low risk of fluvial flooding, as shown in Figure 11.

In terms of our medium and high-risk areas, we have less properties at risk and our national rank falls to 8th and then 9th accordingly.

Figure 11 - numbers of properties at low risk of fluvial flooding per Local Authority, across Wales.



9.3.4 A summary of the national risk

Figure 12 below summarises Carmarthenshire's risk when compared nationally to the other Unitary Authorities.

Figure 12 - summary of the national rank of Carmarthenshire flood risk when compared across Wales

High risk (3.33% AEP)	Medium risk (1% AEP)	Low risk (0.1% AEP)
Pluvial - Rank 5 of 22	Pluvial - Rank 5 of 22	Pluvial - Rank 6 of 22
Tidal flood risk - rank 8 of 15	Tidal flood risk - rank 8 of 15	Tidal flood risk - rank 8 of 15
Fluvial - Rank 8 of 22	Fluvial - Rank 6 of 22	Fluvial - Rank 4 of 22

10 Flood risk in your River Basin Districts (RBDs)

10.1 Why have districts?

Due to the demographics of Carmarthenshire, namely that we are more heavily populated in the south and east, of the county, a local strategy looking at the whole of the county on a risk basis would result in heavy bias to the south and east. This is comparable to the national picture (as detailed in section 9 above) where the south and east of Wales is heavily populated and as such dominates the risk.

In light of this, we have taken the decision to divide Carmarthenshire into seven (7) FCERM districts, based roughly on river catchments, but conforming to the community at risk register (CaRR) community boundaries. The districts are shown in Figure 13 below and are:

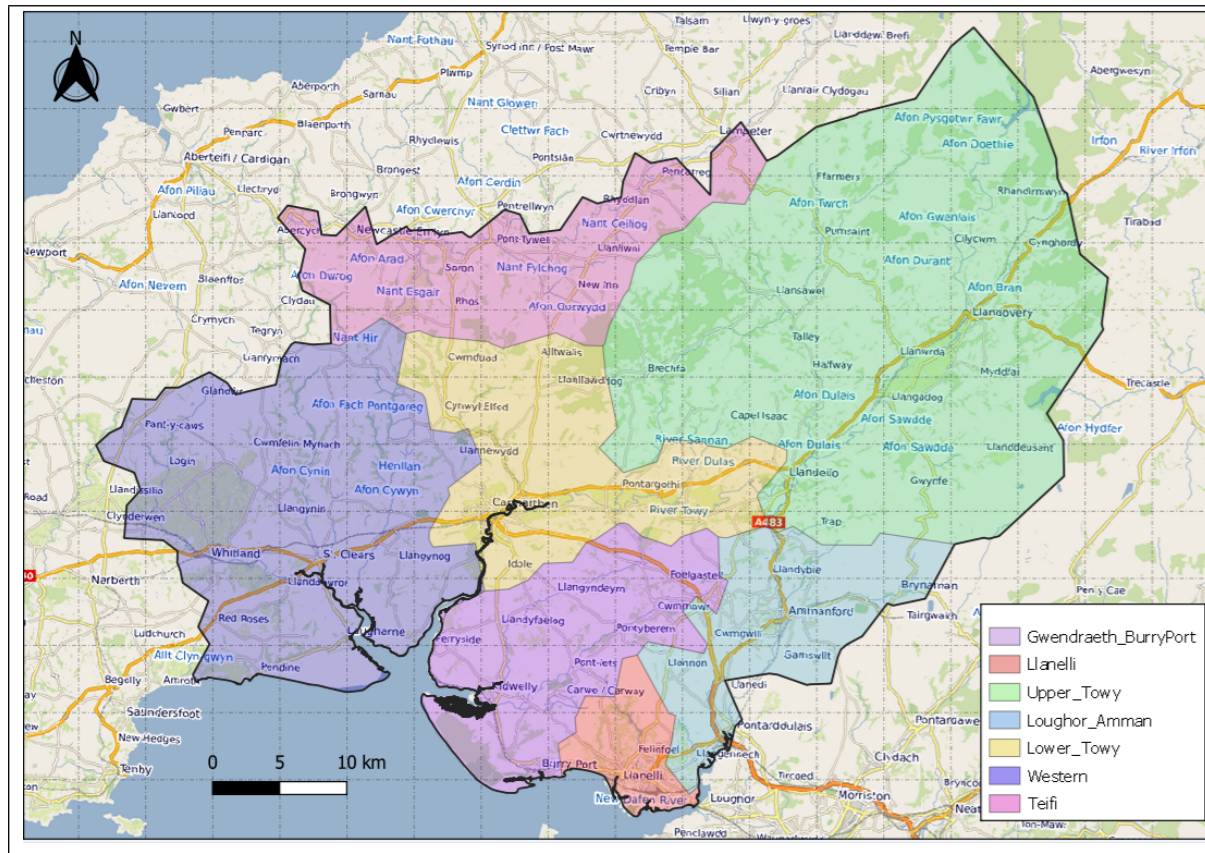
- The Teifi RBD
- The Upper Towy RBD
- The Lower Towy RBD
- The Western Valleys RBD
- The Amman and Loughor RBD
- The Llanelli RBD
- The Gwendraeth and Burry Port RBD

As mentioned above, the CaRR is our primary data set and we have used it to rank all areas of Carmarthenshire based on the three principal flood risks ie

- Fluvial
- Surface water (pluvial)
- Tidal

We will then evaluate flood risk per district, ensuring that resource is shared across the districts more evenly, while comparing districts and acknowledging that there are areas of the county with a greater risk rating than others.

Figure 13 – the 7 Carmarthenshire FCERM River Basin Districts



10.2 River basin methodology

Our methodology pertaining to our district analysis of flood risk focuses on the community at risk register data (CaRR)¹⁷ as our primary data set. The CaRR is the primary national FCERM data set and is the data set used by the Welsh Government in allocating funding. Added to the CaRR data we have used our own flood incident data, and data from Data Maps Wales.

A more detailed methodology is included in Appendix D and the outputs from the analysis are below.

10.3 RBD Strategic Analysis (high flood risk)

The high-risk flood risk areas have an annual exceedance probability of more than 3.33%. The data gathered from the CaRR, when considering the total number of residential properties at risk from all sources of flooding, ranks the Llanelli RBD at greatest risk (see Figure 14 below). However, when you evaluate the different sources of flood risk, you will

¹⁷ Data Map Wales, 2023 [Communities at Risk Register \(CaRR\) | DataMapWales \(gov.wales\)](https://www.data.gov.wales/communities-at-risk-register)

note that 36% of all properties in Carmarthenshire at high risk of flooding are at risk of tidal flooding in the Llanelli RBD area. This is the greatest flood risk in the county, and is centred on the Llanelli RBD.

As less than 50% of our RBD are impacted by tidal flood risk, it is also worth comparing risk based solely on the pluvial and fluvial risk. In the absence of tidal risk, the Loughor and Amman RBD has the greatest number of properties at risk as shown in Figure 15.

As highlighted in section 10.1 above, the south and east is heavily urbanised, and our district evaluation of the properties at risk clearly highlights that the three south and east RBDs have the greatest number of properties at risk.

The remaining four RBDs, namely the Teifi, Upper and Lower Towy and the Western Valleys RBDs have significantly less properties at risk. By means of a comparison, these four RBDs have less properties at risk in total than the Llanelli RBD and the Amman and Loughor RBDs alone.

Figure 14 – No. of properties at high risk of flooding from all flood sources per RBD

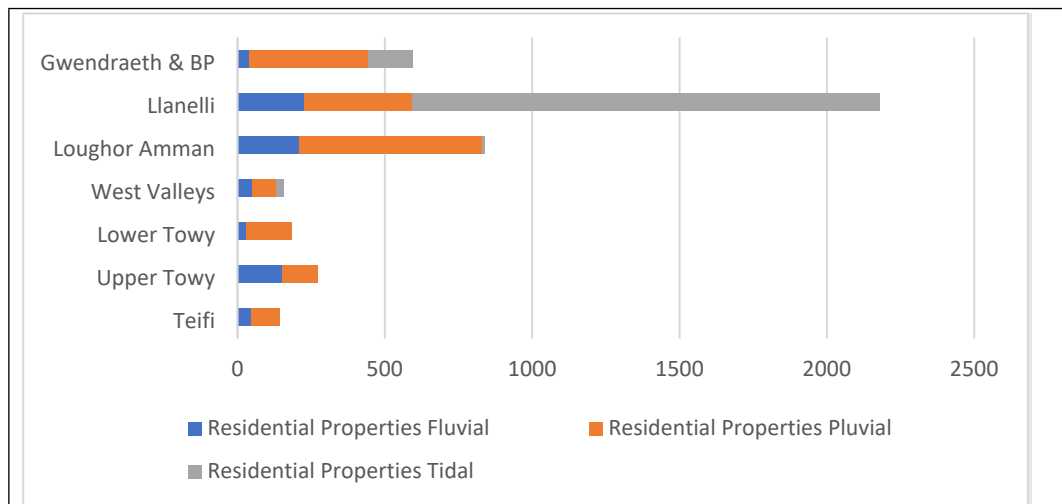


Figure 15 – No of properties at high risk of flooding from only pluvial and fluvial sources per RBD

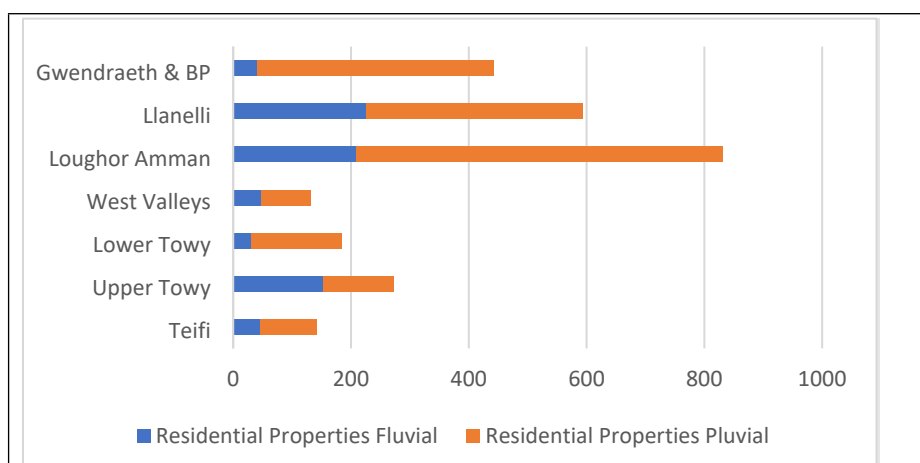


Figure 16 - Key flood risk receptors at high risk of flooding per RBD.

Risk Receptor	Teifi	Upper Towy	Lower Towy	Western valleys	Loughor & Amman	Llanelli	Gwendraeth & Burry Port
Residential Properties Fluvial	46	154	31	48	208	226	41
Residential Properties Pluvial	96	119	154	84	623	367	402
Residential Properties Tidal	0	0	0	26	9	1588	150
Non-residential properties	39	74	67	24	141	223	74
Essential Services	9	8	2	6	18	26	26
FCERM Incidents	200	84	235	36	79	95	134
Internal flooding incidents	167	52	170	16	33	62	87
Trunk Roads (km)	1.29	5.45	3.3	4.1	5	2km	4.1km
Minor Roads (KM)	11096	46625	24928	43238	27651		34365
Railways (km)	0.28	1.08	0.5	0.5	3	4.5km	9.1km
Agri Land - Grades 1-3	890	2058	1883	1279	450	65	1095Ha
SACs	173	255	283	2490	283	1411	3219
SPAs	0	90	0	1205	0	1294	612
Ramsar	0	0	0	0	0	1294	612
SSSIs	175	433	345	3013	287	1412	3275
SINC	0	0	0	0	0	0	None
National Nature Reserves	0	53	61	0.2	2	0	3.4
LNR	0	0.69	0	0	0	5.1	118
Ancient Woodland	49	245	54	83.7	75.5	17.7	48
Parks and Gardens	0	9	17.5	0.2	0.8	13	6.7
Country Parks	0	686	0	12.4	41	0	Check
Scheduled Ancient monuments	0.5	1.8	0.2	0.2	0.5	0.1	4.4
Listed buildings	23	80	22	22	11	9	9
Main river length (Km)	74	159	104	149	66.24	36km	63.79
Main river numbers	10	16	16	22	8	6	10
Local Development Plan							
Residential Sites	7	1	6	6	17	9	14
Traveller Sites	0	0	0	0	0	1	0
Employments Sites	0	0	1	1	8	1	1
Retail Parks	0	0	0	0	0	1	0
Town Centres	0	1	0	1	0	1	1
Strategic	0	0	0	0	0	1	0
Mixed Use	0	1	4	0	1	0	1
SCFA additional	0	3	6	1	13	18	6

10.4 RBD Strategic Analysis (Medium Flood Risk)

The medium-risk flood risk areas have an annual event probability greater than 30 but less than 100. When comparing the number of properties at risk per district, we can see a similar picture to the high-risk figures in that the tidal flood risk to properties in the Llanelli RBD is a major contributing factor (Figure 17). When you evaluate the numbers of properties at risk from pluvial and fluvial flooding only, the Loughor and Amman RBD has the greatest numbers of properties at risk as shown in Figure 18.

Figure 17 - No. of properties at medium risk of flooding from all flood sources, per RBD

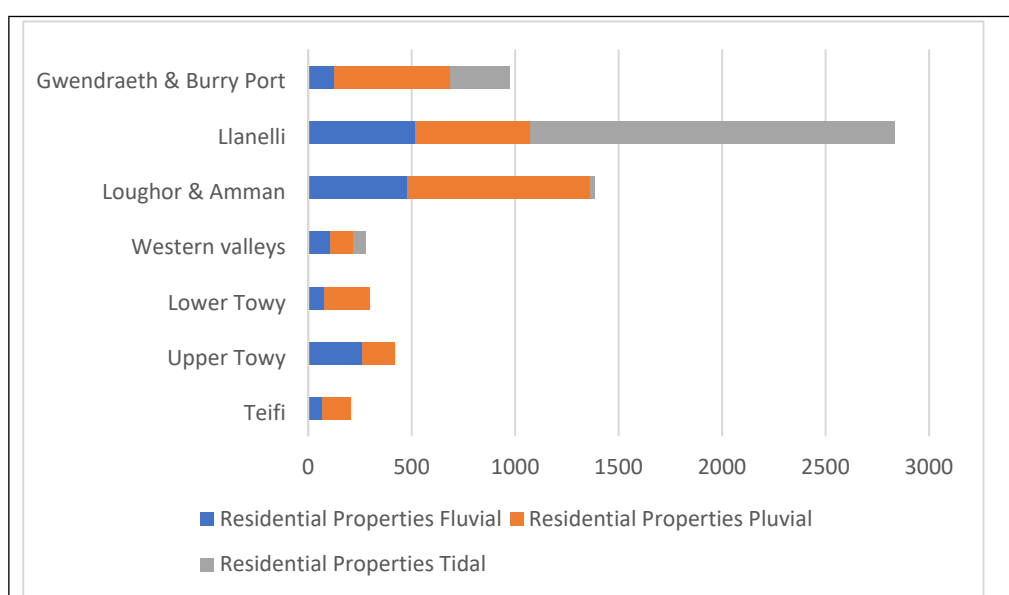


Figure 18 - No of properties at medium risk of flooding from only pluvial and fluvial sources per RBD

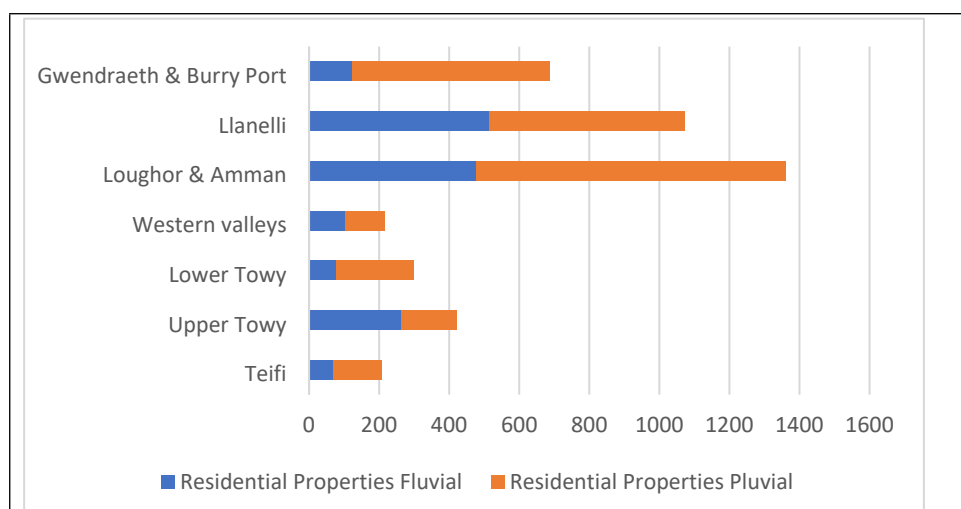


Figure 19 - Key flood risk receptors at medium risk of flooding per RBD.

Risk Receptor	Teifi	Upper Towy	Lower Towy	Western valleys	Loughor & Amman	Llanelli	Gwendraeth & Burry Port
Residential Properties Fluvial	69	262	78	104	478	515	124
Residential Properties Pluvial	139	158	221	114	884	559	564
Residential Properties Tidal	0	0	0	58	22	1759	286
Non-residential properties	74	108	132	50	207	442	127
Number FCERM Incidents	200	84	235	36	79	95	134
Internal flooding incidents	167	52	170	16	33	62	87
Essential Services	9	12	7	9	28	39	57
Trunk Roads (km)	0.65	2.88	1.14	0.6	2.5	2.1	0.7km
Minor Roads (km)	5172	18423	15129	11884	11184	16029	13497
Railways (km)	0.06	1.64	0.26	0.5	2.5	1.2	3.8km
Agri Land - Grades 1-3	134	500	352	174	112	16.4	166Ha
SACs	2	19.5	5	50	33.6	9	38
SPAs	0	17.44	0	0	0	3	9
Ramsar	0	0	0	0	0	3	9
SSSIs	2.7	50	8	65	35.4	9	44.5
SINC	0	0	0	0	0	0	None
National Nature Reserves	0	1.9	3	0.6	0.4	0	1
LNR	0	0.09	0	0	0	6.3	5.6
Ancient Woodland	7.5	41	10.3	12.8	12.6	3.6	10
Parks and Gardens	0	6.1	1.81	0.2	0.2	3.1	1.3
Country Parks	0	111	0	1.4	11.7	0	Check
Scheduled Ancient monuments	0.11	0.45	0.05	0.1	0.2	0.1	0.4
Listed buildings	2	19	8	4	3	8	1
LDP							
Residential	8	2	6	7	19	9	14
Traveller	0	0	0	0	0	1	0
Employment	0	0	0	0	9	1	1
Retail	0	0	0	0	0	2	0
Town Centres	0	1	0	2	0	1	1
Strategic	0	0	1	0	0	1	0
Mixed use	0	1	4	0	1	2	2
SFCA additional	0	6	6	1	14	20	7

The statistics and numbers of flood risk receptors at low risk of flooding from all sources can be reviewed in Appendix E.

11 Measures to manage flood risk across Carmarthenshire

11.1 What are flood measures and why?

Our strategic objectives outlined in paragraph 8.1, will be delivered through a series of 10 measures. Measures are medium level targets that will be delivered over specific time periods. Our 10 measures are detailed in Appendix F.

Each measure has been given an indicative timescale and an indicative cost for delivery.

Error! Reference source not found. below summarizes our measures and how they meet our strategic objectives.

Figure 20 – table showing how our 10 local FCERM measures will meet the 5-FCERM Local Strategy objectives.

	Objective 1 – Modern FCERM	Objective 2 – Become Data Rich	Objective 3 – Champion NFM, NBS & BGI	Objective 4 – Communities	Objective 5 – Partnership working
<i>Measure 1 - Thematic Incident Management</i>	X	X	x	x	X
<i>Measure 2 – Maintain a pipeline of capital works business cases</i>	X	X	X	X	X
<i>Measure 3 – increase community resilience</i>	X			X	X
<i>Measure 4 – increase public engagement and consultation</i>	X			X	X
<i>Measure 5 – champion innovation and technology</i>	X	X			
<i>Measure 6 – develop a catchment-based approach to FCERM</i>	X			X	X
<i>Measure 7 – provide expert advice and counsel</i>			X	X	X
<i>Measure 8 – manage FCERM permitting and consenting</i>		X	X		
<i>Measure 9 – Adopt and designate drainage systems and FCERM features</i>	X	X	X	X	X
<i>Measure 10 - Enforcement</i>	X				

12 Actions to manage flood risk across Carmarthenshire

12.1 What are flood actions and why do we have them?

The detailed objectives and measures outlined in Section 8 and 12 will be delivered through the implementation of actions. Each action which will be considered in the short (1 – 2 years), medium (2 – 5 years) and long term (5+ years). Our Flood Action Plan delivers on the requirement of the Flood Risk Regulations (2009) for LLFA's to produce a Flood Risk Management Plan (FRMP).

Whilst we previously published our Local Strategy and FRMP in 2013 and 2019 respectively, this new iteration will seek to see both the Local Strategy and FRMP published in the spring of 2024.

12.2 Our approach to the FRMP

We have adopted a river basin district approach for assessing flood risk, which allows the natural movement of water to be assessed according to geographic river catchment or sub-catchment boundaries, enabling a more holistic and integrated approach to managing flood risk.

The catchment based or RBD approach has informed the identification of 7 assessment boundaries, known as River Basin Districts (RBD). Our Flood Action Plan will focus on the highest flood risk areas within each RBD and provide details on how we manage that flood risk in the short, medium and long term.

Our action plans will be contained in our Flood Risk Management Plan-2.

13 Funding and Prioritisation

13.1 Funding options

Measures to manage local flood risk are funded from a range of sources, including but not limited to the following:

13.1.1 CCC Internal funding

There is an annual allocation of revenue funding which is sourced from the Local Government Revenue and Capital Settlement¹⁸.

There is also internal capital funding which is administered on an expression of interest basis.

13.1.2 Welsh FCERM Government Funding

Welsh Ministers may provide revenue and capital grants in relation to FCERM activities. Applications for funding submitted by RMAs are considered by the Flood and Coastal Risk Programme Board before being agreed by the Minister for Climate Change. These are prioritised towards the communities most at risk of flooding, in accordance with WG National Strategy¹⁹, technical guidance²⁰ and grant memorandum²¹. This is why this document has focused on communities at greatest risk in Carmarthenshire and compared those nationally and locally to ensure a clear understanding of priorities. Currently the grants available include:

- **WG FCERM Capital Pipeline Grant** – a grant for the development of the business cases, design works and construction projects. Administered annually, but projects, from inception to construction, are medium to long term (5-10 years).
- **Welsh Government Small Scale FCERM Grant** – an 85% grant administered annually for small projects up to £250k, that must be delivered in one year.
- **Welsh Government NFM Grants** – a relatively new, 100% funded grant, specifically for RMAs to develop natural flood management solutions.
- **Welsh Government Revenue Grant Funding** – a 100% funded revenue grant which can and is used for core FCERM duties, principally asset management and maintenance works. This grant will be subsumed into the Revenue Support Grant for 2024-2025 .

¹⁸ [Local government revenue and capital settlement: final 2023 to 2024 | GOV.WALES](#)

¹⁹ [National Strategy for Flood and Coastal Erosion Risk Management in Wales | GOV.WALES](#)

²⁰ [Flood and coastal erosion risk management \(FCERM\): business case guidance | GOV.WALES](#)

²¹ [Flood and coastal erosion risk management: grant memorandum | GOV.WALES](#)

13.1.3 Welsh Government Local Transport Resilient Road Fund

The Local Transport fund²² is available to deliver the vision and priorities of Llwybr Newydd²³ in a way that is good for people and communities, good for the environment, good for the economy and places, good for culture and the Welsh language. It aims to deliver an accessible, efficient, sustainable transport system that is safe, well-managed and adapts to and mitigates for climate change.

The Resilient Roads fund is available to address disruptions caused by severe weather to the highway network, especially to the public transport network.

13.1.4 Section 106 Funding

Developer Contributions: Local Authorities can potentially require developers to carry out works, or make a financial contribution towards FCERM works, under Section 106 of the Town and Country Planning Act 1990.

13.2 WG prioritisation

A methodology for prioritising FCERM funding was approved by the Welsh Government in 2018 after consultation with RMAs. This breaks down as follows

- Communities at greatest risk as per the CaRR.
- Actual flood events (no. events document over last 20-years)
- Actual flood events (number of internal properties flooded in last 20-years)
- Number of homes benefiting
- Partnership working
- Wider benefits

13.3 CCC Prioritisation

As a Lead Local Flood Authority, we have a statutory obligation to act in a manner which is consistent with the national strategy and guidance²⁴. This document supports this approach and seeks to quantify and document the flood risks to Carmarthenshire and our priorities over the next 7-years. Our high-level priorities include:

²² [Local Transport Fund and Resilient Roads Fund: guidance to applicants 2022 to 2023 \[HTML\] | GOV.WALES](#)

²³ [Llwybr Newydd: the Wales transport strategy 2021 | GOV.WALES](#)

²⁴ S12(1)(a) [Flood and Water Management Act 2010 \(legislation.gov.uk\)](#)

- Supporting communities and businesses at greatest risk, as defined by both our incident data and the CaRR.
- Prioritising those properties and businesses that experience internal flooding.
- Prioritising CCC FCERM and drainage assets and structures.

14 Environmental Assessments

The implementation of the Local Strategy will, in addition to managing local flood risk, also provide an opportunity to improve the natural, rural and built environment by enhancing the environment for both residents and businesses along with improving biodiversity and habitats. Assessments will be undertaken post the development of this Local Strategy to ensure our Objectives, Measures and Actions take into account our local environment. The environmental assessments consider and record how the Local Strategy contributes to the achievement of wider environmental objectives.

14.1 Strategic Environment Assessment (SEA)

We will undertake a Strategic Environment Assessment (SEA) post the development of a consultation draft of the Local Strategy.

The SEA is a way of assessing and monitoring the likely effects (positive and negative) of the Local Strategy Objectives, Measures and Actions on the environment. A SEA is a legal requirement to accompany the Local Strategy. Such assessments help to enable informed and transparent decision-making for the benefit of plan makers and the wider community in Wales. The SEA will be contained within a separate report.

14.2 Habitat Regulations assessment (HRA)

A Habitats Regulations Assessment (HRA) considers the possible harm a project or plan could cause to certain specially protected sites, with the aim of ensuring damage to these sites is avoided. Due to the potential of this Local Strategy to impact the Natura 2000 network of protected sites, namely Special Areas of Conservation (SAC), Special Protection Areas (SPA) and Ramsar sites, a HRA needs to be undertaken in parallel with the SEA as soon as possible in the process. The HRA is contained within a separate report.

14.3 Water Framework Directive (WFD) Assessment

The Water Framework Directive (WFD) imposes legal requirements to protect and improve the water environment (including our rivers, coasts, estuaries, lakes, ground waters and canals). Under the WFD a management plan is required for each River Basin District, for which the responsibility for producing these lies with NRW. River Basin Management Plans (RBMPs) describe the challenges that threaten the water environment and how these challenges can be managed and funded.

Carmarthenshire falls within the West Wales RBMP.

An assessment of how this Local Strategy has considered the environmental objectives within the RBMP is contained in a separate report.

15 Monitoring Progress

15.1 Measuring the objectives, measures and actions

The delivery of our Local Strategy will be managed at Corporate Management Team (CMT) and Scrutiny level. We are proposing that a bi-annual report be produced in the spring of 2026 and 2028 detailing progress, with the new strategy following that in April 2030.

The measures will be managed through the Departmental and Divisional Business Plans. Business Plans are updated annually, and the outputs managed via the corporate performance management system (PIMs). The responsibility for the delivery of these measures will reside with the FCERM Manager and the corporate governance structure.

Actions will be managed through business unit annual works programmes and assigned to officers and engineers to deliver. These will be embedded into annual and bi-annual programmes of work and monitored via the personal objectives and appraisal process on a quarterly or bi-annual basis.

Appendix A – Results from the consultation process (see separate report)

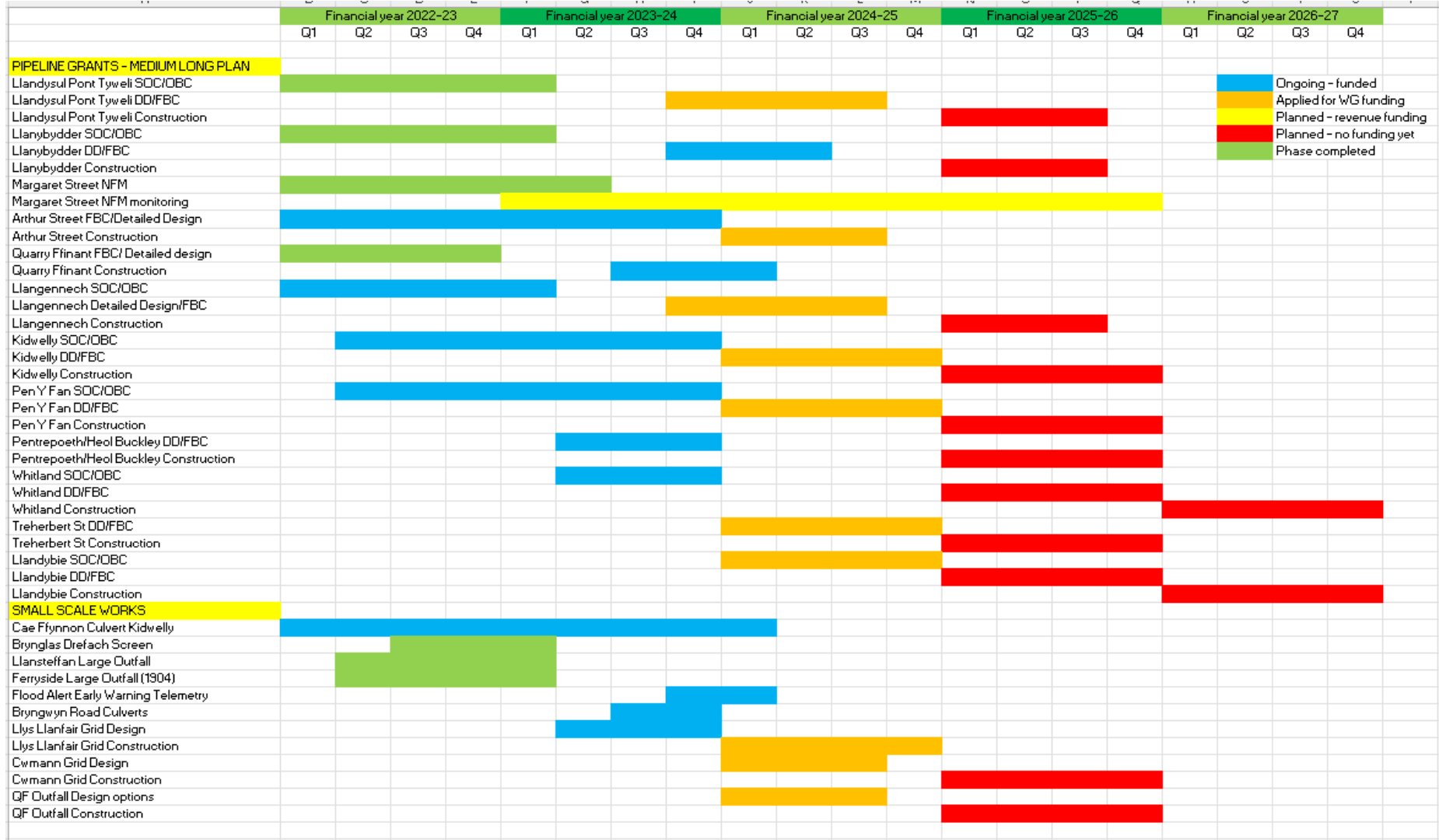
Appendix B – Capital works pipeline programme (Dec 2023)

The 2023-24 WG FCERM programme contains 11 Pipeline Schemes and 3 Small Scale Schemes.

These are summarised below:

Scheme Name	Location	Current Phase	Details
Arthur St FBC	Ammanford	Full Business Case and Detailed Design	Culvert replacement
Quarry Ffinant	Newcastle Emlyn	Construction	Culvert rehabilitation/replacement
Llandysul/Pont Tyweli	Llandysul/Pont Tyweli	Full Business Case and Detailed Design	Property Level Protection (PLP) and other measures
Llanybydder	Llanybydder	Full Business Case and Detailed Design	Property Level Protection (PLP) and other measures
Llangennech	Llangennech	Full Business Case and Detailed Design	Property Level Protection (PLP) and other measures
Margaret St NFM	Ammanford	Construction	Natural Flood Management – 13 leaky dams and 5 storage areas
Bynea	Llanelli	Strategic Business Case	Assessment of options for flood alleviation scheme
Pen Y Fan	Llanelli	Outline Business Case	Property Level Protection (PLP) and other measures
Kidwelly	Kidwelly	Outline Business Cas	Assessment of options for flood alleviation scheme
Whitland	Whitland	Outline Business Case	Assessment of options for flood alleviation scheme
Pentrepoeth	Llanelli	Outline Business Case	Property Level Protection (PLP) and embankment
Telemetry	Various	Installation	Flood Alert Early Warning Telemetry installation at 6 CCC structures
Llys Llanfair Grid	Llandovery	Design	Redesign/upgrade of flood defence grid and associated infrastructure
Bryngwyn Road Culverts	Llanelli	Construction	Culvert upgrades and replacement

The FCERM Pipeline and Small Scale Programme – Schedule from April 2022 to March 2027 (as of Dec 2023)



Appendix C– Significant Historical Flooding in Carmarthenshire – (see separate document)

Appendix D– Methodology for the strategic district analysis

The GIS data, gathered from various government sources outlined in this note, are analysed to quantify the extent of flood risk from fluvial, pluvial, and coastal sources across Carmarthenshire.

The National Flood Risk Layers from Data Map Wales (DMW) contain the flood receptor data such as residential and non-residential property counts, key services, rail and roads, agricultural land, and some of the environmental receptor data such as Ramsar sites, SPA, SAC, SSSI, SINC and SAM. However, the Local Nature Reserves (LNR), National Natures Reserves (NNR), ancient woodlands, country parks, listed buildings and LDP data must be processed in GIS together with the Flood Risk Zone maps from DMW (fluvial, pluvial, and coastal) to calculate the at-risk areas. Additionally, the property and key service counts from the Communities at Risk Register (CaRR) is also compared to the DMW data.

The National Flood Risk Layers, split the communities in Wales into several polygons and the risk level from various flood sources is provided for each polygon. To get the risk levels for Carmarthenshire only, the polygons are matched with the Local Authority Boundaries (Figure 21 (a)) and any polygon with more than 50% surface area within the county is included in the analysis. Carmarthenshire polygons are also split into seven separate districts according to the FEH catchment boundaries as shown in Figure 21 (b).

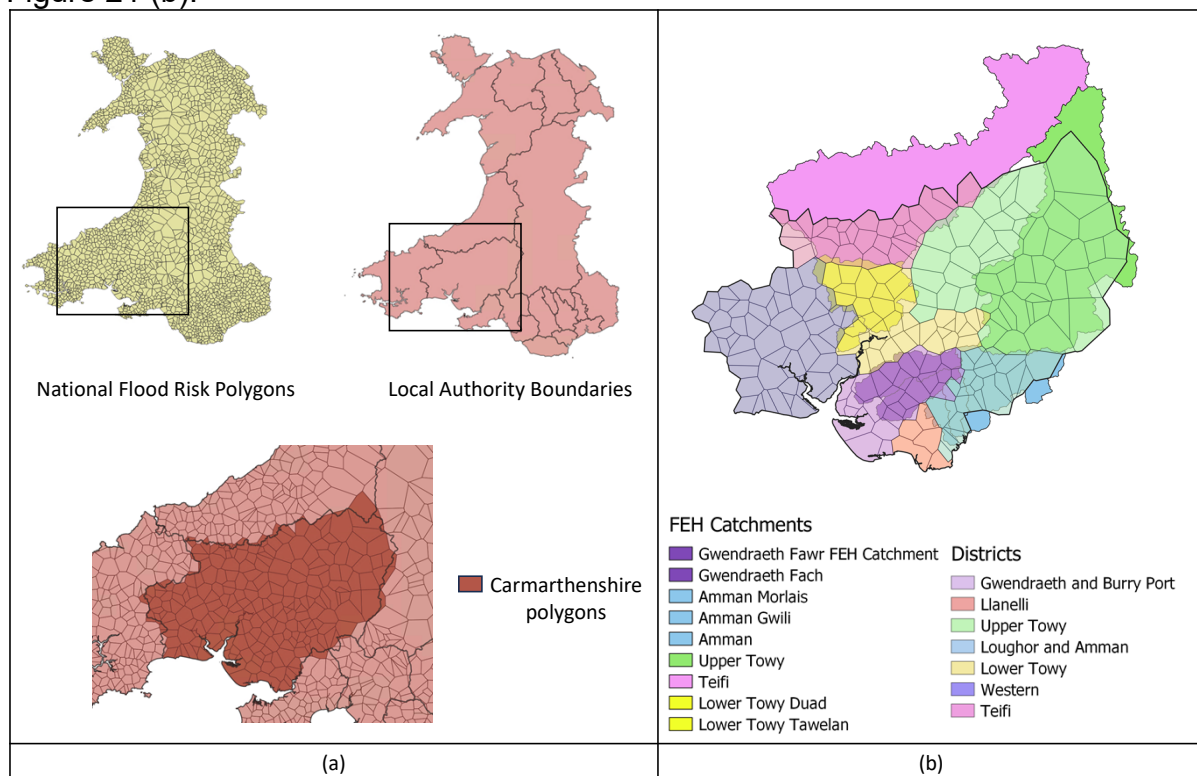


Figure 21 – (a) National Flood Risk Polygon selected for Carmarthenshire and (b) District polygons (translucent) selected according to FEH catchment boundaries (opaque)

The methodology for preparing the GIS data is demonstrated here for the county-level analysis only, since the same procedure is followed to produce the district-level data.

The Flood Risk Zone maps for fluvial, pluvial, and coastal risks are shown in Figure 22 with Carmarthenshire County council (CCC) polygons in the background:

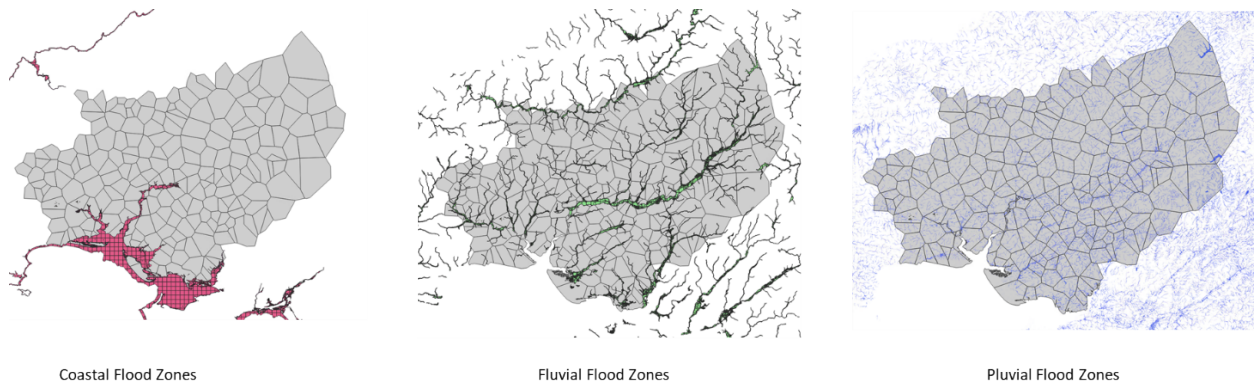


Figure 22 - Flood Risk Zone maps for Fluvial, Pluvial and Coastal Risks over the National Flood Risk Polygons

The Flood Risk Zone maps are then intersected with CCC polygons and maps of each receptor (e.g., Ancient Woodlands, Listed Buildings, etc.), and the flood risk areas from each flood source is extracted.

The example below (Figure 23) shows this process for extracting the CCC Ancient Woodlands at risk of fluvial flooding:

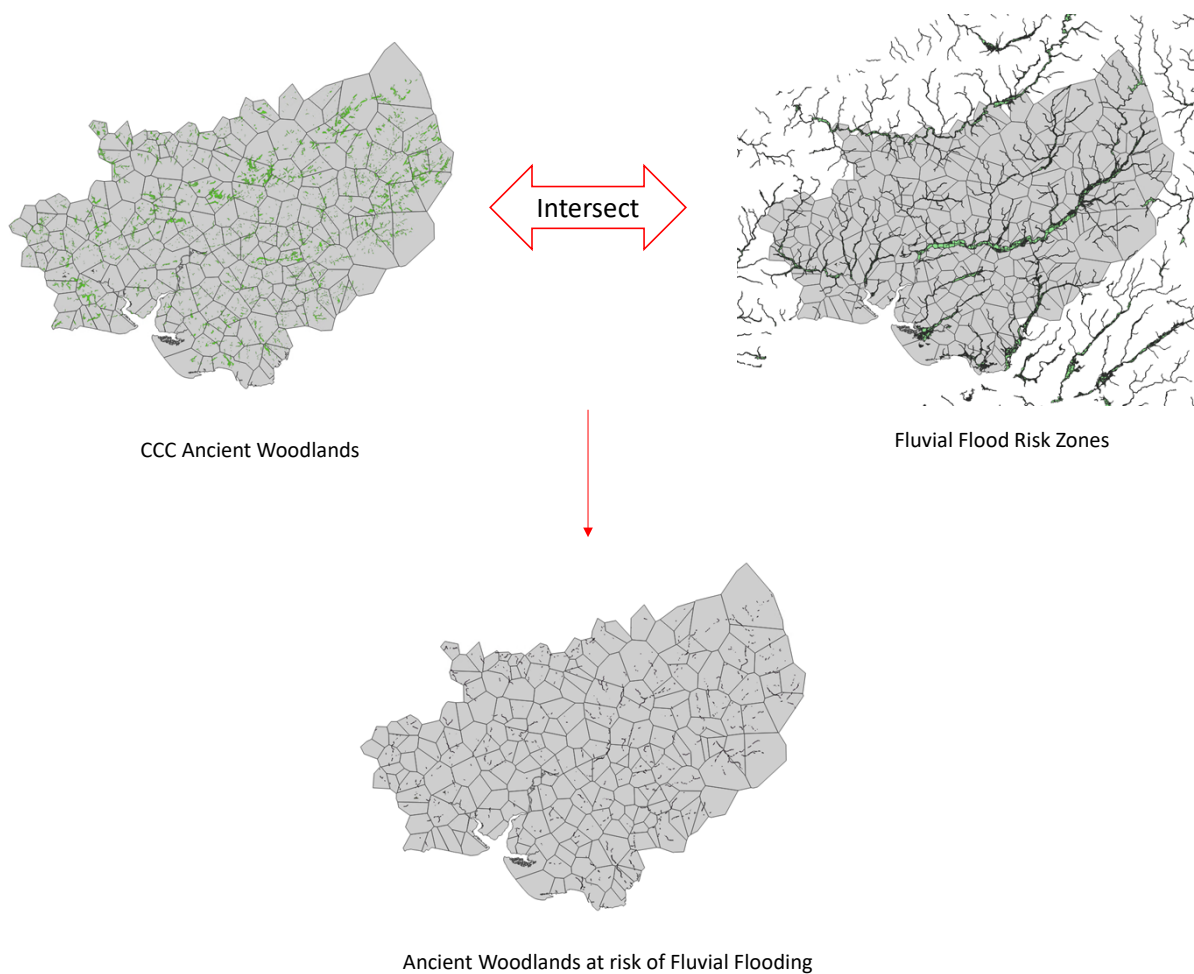


Figure 23 - Example of Intersection of Flood Risk Zones with Receptor Data

Appendix E - RBD Strategic Analysis (Low Flood Risk)

Key flood risk receptors at low risk of flooding per RBD.

Risk Receptor	Teifi	Upper Towy	Lower Towy	Western valleys	Loughor & Amman	Llanelli	Gwendraeth & Burry Port
Residential Properties Fluvial	173	681	229	319	901	2203	255
Residential Properties Pluvial	302	358	482	238	1798	1521	1327
Residential Properties Tidal	0	0	6	94	31	1840	375
Non-residential properties	124	201	302	114	358	871	223
Number FCERM Incidents	200	84	235	23	79	95	134
Internal Flooding incidents	167	52	170	36	33		87
Essential Services	21	31	35	16	45	74	85
Trunk Roads (km)	3.5	10.5	4.8	1.9	7.4	5.3	5.1
Minor Roads (km)	17902	57626	35504	34592	36148	49773	33665
Railways (km)	0.11	6.24	2.2	3.4	5.9	1.5	3.3
Agri Land - Grades 1-3	227	1103	649	315	200	45	300
SACs	3.6	52	4.2	54	48	21	34.5
SPAs	0	60	0	0	0	7	6.5
Ramsar	0	0	0	0	0	7	6.5
SSSIs	5.1	150	11.2	76	59	21	50
SINC	0	0	0	0	0	0	None
National Nature Reserves	0	2.36	3.1	1.5	1.6	0	3
LNR	0	1.08	0	0	0	6.2	4
Ancient Woodland	17.3	97	28.4	30	26.6	9	20.5
Parks and Gardens	0.01	8	5	0.2	0.6	5.5	4.4
Country Parks	0	148	0	2.3	50	0	0
Scheduled Ancient monuments	0.3	1.5	0.23	0.2	0.3	0.3	0.5
Listed buildings	7	19	14	6	6	24	14
LDP							
Residential	8	5	10	6	26	17	21
Traveller	0	0	0	0	0	1	0
Employment	0	0	1	1	9	2	1
Retail	0	0	1	0	0	2	0
Town Centres	0	2	0	2	1	1	1
Strategic	0	0	1	0	0	1	0
Mixed use	0	1	4	0	1	2	2
SFCA additional	1	7	7	2	19	28	8

Appendix F - CCC's FCERM Local Strategy Measures (see separate document)

Mae'r dudalen hon yn wag yn fwriadol

Appendix B – Historical Flooding In Carmarthenshire

November 1929 - Carmarthen saw a large fluvial event coincide with a tidal event. There was widespread flooding to a depth of 1.5metres and the railway station flooded for the first time.

In November 1931 Carmarthen saw significant flooding believed to be the same as the 1987 event. Flood water depths of 3-metres were observed in Pensarn.

In December 1979 the Pensarn flood wall in Carmarthen overtopped. Private dwellings and business premises on both sides of Pensarn Road flooded. Business premises and residential properties flooded along Old Llangunnor Road. The Post Office and business premises flooded along Station Road and Steven's Way.

In March 1981 the Pensarn flood wall overtopped again. Flood depth believed to be about 0.17 metres lower than 1979. Extensive flooding and damage to properties along Old Station Road (6 properties), Old Llangunnor Road (14 properties), Pensarn (13 properties), Carmarthen Quay (4 properties) and Station Road (4 properties). An estimated total of 41 properties were flooded during this event.

October 1987 saw 'the Great Storm of 1987' worst flooding on record. Overtopping continued for approximately 15hrs with a maximum height of about 0.23 metres above the wall crest with approximately 65 properties flooded at Pensarn.

October 2000 – significant flooding in Towy catchment with areas of Carmarthen and Abergwili among those worst affected.

October 2004 saw the highest recorded flood event post completion of the flood defences in Pensarn. This prevented flooding from the Towy, but surface water trapped on the landward and was unable to discharge. This resulting in surface water flooding at Pensarn Road and Stephens Way.

March 2008, sea flooding affected approximately 11 properties in Laugharne, and 30-40 caravans flooded in a Caravan Park in Carmarthen Bay.

November 2009 the village of Llanddowror was flooded from the river Hydfron, a tributary of the Taf. Approximately 30 properties were adversely impacted by the event.

November 2010 – significant flooding in Llanelli included Llangennech, Bynea and Trostre.

4 November 2012 nine adults and six children had to be rescued from a caravan in Pendine. Around 60 caravans were surrounded by water. Mid and West Wales fire and rescue service

used a boat as part of the operation. Around 40 others were moved by the park owners and all those involved have been rehoused in other caravans on higher ground.

24 December 2012 - 80 No. flood related calls were received between 8:00am and 7pm on Saturday with over 95% of calls concerning the Llanelli area. The Operations Manager at CCC commented that 'the extent of flooding along Trostre Retail Park access road was the worst I've seen in the past 6 years with access to the western car park totally cut off'.

25 January 2013 - Heavy rain on Friday afternoon and evening together with a rise in temperature caused accelerated snowmelt and resulted in flooding in several locations. Kidwelly was hardest hit with properties on New Street and Water Street being flooded internally.

The village of Llanddowror was flooded from the river Hydfron, a tributary of the Taf and 27 properties were flooded. A similar extent of flooding was observed in this village in November 2009.

October 2013 – St Jude's Storm battered the south coast and St Jude caused chaos across parts of Europe. Four people died after the storm hit Britain, leading to 625,000 homes losing power, and rail and flight cancellations.

December 2013 - Thousands of people were evacuated and England's east coast experienced the worst tidal surge in 60 years. December 2013 turned out to be the stormiest since 1969.

January 2014, the combination of high tides, strong winds and large waves, delivered conditions that caused the worst sea flooding along the coastline for over 15 years. Properties were affected all along the coast but particularly in Llangennech, Llansteffan, Carmarthen Quay, Laugharne. In Carmarthen Bay approximately 70 caravans were affected.

On the 24-27 January 2014, flooding on the Somerset levels resulted in a major incident being declared.

8 October 2014 – An Atlantic depression and high tides resulting in coastal flooding across Carmarthenshire. Waves were recorded breaking over the sea wall at Pendine.

30 December 2015 - approx. 80 No. weather related incidents including property and highway flooding and blocked gullies were received by the CCC out of hours teams. This was followed on the 31st December by another 40 incidents.

3rd January 2016 – a week of bad weather culminated in another 45 weather related incidents. Homes and business in the Llanelli area suffered flooding and highways were closed.

1st August 2016 and through the night into Tuesday the Llanelli area had some significant flooding. Properties along Sandy Road and Beach Road in Llanelli were most significantly affected along with dwellings at Glyncoed Terrace, Halfway, Dafen, Llanelli.

October 2017 ex hurricane Ophelia brought strong winds of 70-80mph to our coasts. There was average disruption caused in Carmarthenshire but three people were killed in Ireland by a falling tree.

October 2018 (Storm Callum) saw the highest recorded river levels since 1987. There was significant flooding to Pensarn and the NRW Llangynnor flood wall in Carmarthen overtopped resulting in business flooding to depths in excess of 1.5-metres. Over 80 commercial and residential properties were flooding internally and 100s were flooded externally. There was significant disruption to the transport infrastructure in the Towy and Teifi valleys and through Carmarthen Town and sadly one man died in a landslide on the A484 at Cwmdud.

1.1 Significant Storm and flooding events during FRMP1 (2019-2024)

8 February 2019 Storm Erik brought heavy rain and strong winds to Carmarthenshire and the south west. While there were fatalities in both Devon and West Wales from falling trees, there were only a handful of issues reported in Carmarthenshire.

3-4 March 2019 Storm Freya brought trees down across the county and there were a dozen emergency calls to Highways.

April 2019 Storm Hannah brought heavy rain and wind and a rare red weather warning for southwest Ireland. 1000's of homes in Wales lost power, but no major disruption in Carmarthenshire.

September 2019 – The Welsh Coastal Path at Morfa Bucas, Llanelli finally succumbed to coastal erosion. While still passible on foot with care, it was damaged beyond repair and the decision taken to re-route the path inland.

October 2019 – almost a year to the day after Storm Callum, significant rainfall resulted in the River Teifi flooding again. An amber warning was issued by the Met Office and residents were evacuated from Llanybydder and Pont Tyweli. The river came within inches of causing another significant flooding incident but fortunately, water levels fell away just before that threshold was met.

December 2019 Storm Atiyah –

13 January 2020 Storm Brendan

8 February 2020 Storm Ciara

15 February 2020, Storm Dennis was the most significant flood incident to affect Wales since the December 1979 floods. Many locations were affected across the Southwest Wales Place and led to 63 properties flooding in Carmarthenshire and significant disruption to

28 February 2020 Storm Jorge

19 August 2020 Storm Ellen

25 August 2020 Storm Francis

October 2020 Storm Alex –Met officer report here [Microsoft Word - 2020_09_storm_alex.docx \(metoffice.gov.uk\)](#)

October 2020 – Aiden – Scotland more [Microsoft Word - 2020_10_storm_aiden.docx \(metoffice.gov.uk\)](#)

26-27 December 2020, Storm Bella – wet [Microsoft Word - 2020_11_storm_bella.docx \(metoffice.gov.uk\)](#)

19 January 2021 (Storm Christoph) saw river levels on the Towy fall before Pensarn was flooded. Surface water trapped an unable to escape to the river flowed through the drainage systems to Pensarn where the road and businesses were flooded. 150 properties flooding across Wales including communities and isolated villages across South West Wales. The official Met Office report can be found [here](#).

19 February 2021 -Amber Warning – full mobilisation of emergency planning protocols

October 2021 – Kidwelly

26 November 2021 Storm Anwen – Red wind warning for NE England.

7 December 2021 Storm Barra [Microsoft Word - 2021_07_storm_barra.docx \(metoffice.gov.uk\)](#)

29 January 2022 Storm Malik and Corrie arrived back to back no significant affects in Carmarthenshire as this storm came from the north sea, but it was ranked in the top ten storms to hit the UK by the Met Office - [Microsoft Word - 2022_01_storms_malik_corrie.docx \(metoffice.gov.uk\)](#)

16 February 2022 Storm Dudley, Eunice and Franklin arrived within the space of one week and two rare red warnings were issued for wind, albeit not in Carmarthenshire. The amber warning for wind resulted in a dozen FCERM incidents were reported.

Storm Eunice brought major weather impacts. Four people died in the UK and Ireland as a result of falling trees. Over a million homes were left without power as strong winds brought down trees, with ongoing power cuts lasting several days. Schools and businesses were closed across Wales and there was major transport disruption, with trains cancelled, roads were blocked by fallen trees and there were a number of overturned lorries on the M4. Several hundred flights in the UK were cancelled and many aircraft struggled to land in the strong winds.

[Microsoft Word - 2022_02_storms_dudley_eunice_franklin.docx \(metoffice.gov.uk\)](#)

2022 was a relatively calm year with only 114 FCERM incidents recoded in total with 34 of these being internal property flooding.

18 October 2023, Storm Babet brought significant flooding to Scotland and Northern England but missed Carmarthenshire. It was the third wettest 3-day period on record with at least seven people reported to have died as a result of the storm. In Scotland, hundreds of homes and businesses were flooded and it was reported that over 1000 homes in England were also affected by flooding with 500 homes in Retford (Nottinghamshire) being evacuated.

[Microsoft Word - 2023_08_storm_babet_v1.docx \(metoffice.gov.uk\)](#)

November 2023, Storm Ciaran and Debi - there were significant issues in Carmarthenshire up to 5-days before these storms and for the days preceding them. In total there were 28 residential properties and 3 commercials that reported internal flooding. The communities of Kidwelly, Ferryside, Laugharne, Pontyberem and Bronwedd were worst hit.

[Microsoft Word - 2023 09 storm ciaran 1.docx \(metoffice.gov.uk\)](#)

December 2023 Storms Elin and Fergus resulted in only minor issues in Carmarthenshire and a dozen flooding incidents were recorded by the FCERM team.

[Microsoft Word - 2023 11 storms elin fergus.docx \(metoffice.gov.uk\)](#)

December 2023 and January 2024 Storm Gerret and Storm Henk

Significant flooding in Carmarthenshire post Storm Gerret on the 30th December following two very wet weeks. There was 9.7mm of rain in a single hour and total rainfall of 16mm in 4 hours that afternoon.

On the 2 January 2024 Storm Henk brought an almost identical storm.

The communities of Ferryside and Llansteffan suffered the worst with over 30 dwellings being flooded in Llansteffan.

Appendix F – FCERM Local Strategy Measures

Measures are medium level targets that will be delivered over specific time period. Our 10 measures are detailed below.

Within each measure we have documented the benefits and given an indicative timescale and an indicative cost for delivery. The benefits are not exhaustive and the timescales and cost factor are not ordered in priority or complexity. We have also included a recurring category that will capture works that are ongoing for the lifetime of this strategy.

All measures are subject to resources.

We have also cross referenced each measure against the wider strategic and corporate objectives. For ease of reference, the indicative timescales and costs associated with each measure are as set out below.

Time frames

- Reoccurring – ongoing for the duration of the strategy
- Short term 1-2 years
- Medium term 2-5 years
- Long term 5 years plus

Costs

- Low cost 1-10k
- Medium cost 11-249k
- High costs 250-1000k
- Very high 1000k plus

The measures also contain information on whether the funding will be revenue or capital.

We have also added a category called RBD (River Basin District). This is to clarify if these measures are specific to a specific area, or if they will be county wide.

Measure-1	Adopt and implement a risk based, thematic incident management and incident investigation process.
Description	<p>To manage flood risk in Carmarthenshire in a modern, efficient and targeted manner, we must modernise our incident management system and working practices.</p> <p>As a modern Lead Local Flood Authority, RMA and member of the Local Resilience Forum (LRF), we must be able to capture, record and analyse live data to inform operational decision making but also have robust data to inform interventions, investment and policy making for the future.</p>
Benefits	<ul style="list-style-type: none"> • Will allow timely and targeted allocation of resources during an operational situation e.g. TCG. • An ability to prioritising according to policy and risk; • Information will be readily available, in a single location, to inform planned works e.g. education campaigns, S19 incident investigations, training and policy / strategy development, • Robust financial planning and analysis of operational costs
Time Scales	Long term
Costs	High
National Strategy	<p>A – improve our understanding and communication of risk</p> <p>C - Prioritising investment in the most at risk communities</p> <p>E -provide an effective and sustained response to flooding</p>
Local Strategy	<p>Objectives 1 – modernise and develop a risk based approach to flood and coastal risk management</p> <p>Objective 2 – become data and information rich</p> <p>Objective 3 – champion NFM, sustainable drainage and nature based solutions</p> <p>Objective 4 – educate, advise and empower our communities to become more resilient</p> <p>Objective 5 – promote and support community adaptation and partnership working</p>
CCC Corporate Strategy	<p>WB Obj3 – Prosperous Communities (Thematic Priority: Community Safety, Resilience and Cohesion)</p> <p>WB Obj4 – Our Council</p>
Cabinet Vision Statement	Ensure effective services in terms of managing and maintaining key infrastructure assets that include highway, drainage, street scene and local amenity assets.
RBD areas	All
Funding Options	External grant funding supplemented with internal funding

Measure-2	
Maintain a pipeline of business case and associated capital works projects.	
Description	We will maintain a 7 to 10-year capital works programme utilising all available resources. We will continue to apply for funding to support the development of business cases which in turn will support our funding bids for the delivery our capital works programme.
Benefits	<ul style="list-style-type: none"> • The programme provides tangible outcomes and measurable FCERM benefits to Carmarthenshire’s citizens and businesses. • It provides research into the flood risk at a community level. • It facilitates community engagement. • We develop greater knowledge and understanding of flood risk and drainage assets in our communities; • This work helps inform and empower communities which results in greater community cohesion, more resilient businesses and greater citizen wellbeing.
Time Scales	Recurring
Costs	High
National Strategy	A – improve our understanding and communication of risk B – Preparedness and building resilience C - Prioritising investment in the most at risk communities E - provide an effective and sustained response to flooding
Local Strategy	Objectives 1 – modernise and develop a risk based approach to flood and coastal risk management Objective 2 – become data and information rich Objective 3 – champion NFM, sustainable drainage and nature based solutions Objective 4 – educate, advise and empower our communities to become more resilient Objective 5 – promote and support community adaption and partnership working
CCC Corporate Strategy 2022-27	WB Obj3 – Prosperous Communities (Thematic Priority: Community Safety, Resilience and Cohesion) WB Obj4 – Our Council
Cabinet Vision Statement	Ensure effective services in terms of managing and maintaining key infrastructure assets that include highway, drainage, street scene and local amenity assets.
RDB Areas	ALL
Funding Options	Capital

Measure-3 Increase community resilience through empowerment	
Description	There is insufficient resources in CCC and the partner organisations to manage flood risk from all sources across Carmarthenshire. As such, we must seek to work in different ways, empowering communities and businesses to take responsibility and support them manage their own flood risk when possible.
Benefits	<ul style="list-style-type: none"> • This work helps inform and empower communities which results in greater community cohesion, more resilient businesses and greater citizen wellbeing. • Through community engagement we develop greater knowledge and understanding of flood risk and drainage assets in an area; • Greater resource resilience; • Partnership working.
Time Scales	Reoccurring
Costs	Medium
National Strategy	A – improve our understanding and communication of risk B – Preparedness and building resilience E - provide an effective and sustained response to flooding
Local Strategy	Objective 4 – educate, advise and empower our communities to become more resilient Objective 5 – promote and support community adaptation and partnership working
CCC Corporate Strategy 2022-27	WB Obj3 – Prosperous Communities (Thematic Priority: Community Safety, Resilience and Cohesion) WB Obj4 – Our Council
Cabinet Vision Statement	Ensure effective services in terms of managing and maintaining key infrastructure assets that include highway, drainage, street scene and local amenity assets.
RDB Areas	All
Funding Options	Revenue and third sector

Measure-4 Increase public engagement and consultation	
Description	<p>We do not claim to have a greater understanding of flood risk in our communities than the residents and businesses that have experience that flooding.</p> <p>Our knowledge must complement local knowledge, and we must ensure that it is the local knowledge and desires that guide our outcomes.</p>
Benefits	<ul style="list-style-type: none"> • Development of relationships and trust with Carmarthenshire's communities. • Through community engagement we develop greater knowledge and understanding of flood risk and drainage assets in our communities. • This work helps inform and empower communities which results in greater community cohesion, more resilient businesses and greater citizen wellbeing.
Time Scales	Reoccurring
Costs	Medium
National Strategy	<p>A – improve our understanding and communication of risk</p> <p>B – Preparedness and building resilience</p> <p>E – provide an effective and sustained response to flooding</p>
Local Strategy	<p>Objectives 1 – modernise and develop a risk based approach to flood and coastal risk management</p> <p>Objective 4 – educate, advise and empower our communities to become more resilient</p> <p>Objective 5 – promote and support community adaptation and partnership working</p>
CCC Corporate Strategy 2022-27	<p>WB Obj3 – Prosperous Communities (Thematic Priority: Community Safety, Resilience and Cohesion)</p> <p>WB Obj4 – Our Council</p>
Cabinet Vision Statement	Ensure effective services in terms of managing and maintaining key infrastructure assets that include highway, drainage, street scene and local amenity assets.
RDB Areas	ALL
Funding Options	Revenue and third sector

Measure-5 Champion innovation and technology	
Description	With increased pressures on resources, we must constantly review and adapt to ensure that we deliver our services as effectively and efficiently as possible. Technology will play a key role in doing more with less in the future, and we must ensure that FCERM is at the heart of these changes.
Benefits	<ul style="list-style-type: none"> • Ensuring operational and financial resilience in uncertain times. • Offering customers a better experience with automated support and feedback. • Enables resources to be targeted efficiently on a risk or needs basis. • Increased financial resilience by doing more with less. • Modern and attractive ways of working for GenZ recruits.
Time Scales	Reoccurring
Costs	Medium
National Strategy	A – improve our understanding and communication of risk B – Preparedness and building resilience E - provide an effective and sustained response to flooding
Local Strategy	Objectives 1 – modernise and develop a risk based approach to flood and coastal risk management Objective 2 – become data and information rich
CCC Corporate Strategy 2022-27	WB Obj3 – Prosperous Communities (Thematic Priority: Community Safety, Resilience and Cohesion) WB Obj4 – Our Council
Cabinet Vision Statement	Ensure effective services in terms of managing and maintaining key infrastructure assets that include highway, drainage, street scene and local amenity assets.
RDB Areas	ALL
Funding Options	Capital

Measure-6		Develop a catchment based approach to asset management
Description	<p>To ensure we are maximising multiple benefits, our asset management plans will move towards being catchment based. This will synchronise with our partner RMAs, their strategic planning and ways of working.</p> <p>We will still deliver a robust programme of asset management, and feed our data into a national database which informs the iterations of the flood maps. However, we will focus our resources in those catchments at greatest risk or work on catchment scale projects and programmes with our strategic partners.</p>	
Benefits	<ul style="list-style-type: none"> • This approach seeks to maximise multiple benefits. • Catchment based working is the future and a model used by most of our strategic partners and RMAs. • This approach will seek to facilitate greater partnership working. • Prioritising resources in areas of greatest risk 	
Time Scales	Reoccurring	
Costs	Medium	
National Strategy	<p>A – improve our understanding and communication of risk</p> <p>C - Prioritising investment in the most at risk communities</p>	
Local Strategy	<p>Objectives 1 – modernise and develop a risk based approach to flood and coastal risk management</p> <p>Objective 4 – educate, advise and empower our communities to become more resilient</p> <p>Objective 5 – promote and support community adaption and partnership working</p>	
CCC Corporate Strategy 2022-27	<p>WB Obj3 – Prosperous Communities (Thematic Priority: Community Safety, Resilience and Cohesion)</p> <p>WB Obj4 – Our Council</p>	
Cabinet Vision Statement	Ensure effective services in terms of managing and maintaining key infrastructure assets that include highway, drainage, street scene and local amenity assets.	
RDB Areas	ALL	
Funding Options	Revenue	

Measure-7 Provide expert advice and council	
Description	We will continue to provide expert advice and counsel to both internal and external stakeholders while developing and growing our knowledge. Our development will seek to grow into new areas, such as natural flood risk management, nature-based solutions and property level protection.
Benefits	<ul style="list-style-type: none"> • We will develop skills and expertise in house to advise and guide colleagues, thus reducing our reliance on external consultants. • We will develop our workforce for the future. • Provide service to Planning, Property and Elected Members. • Potential for commercialisation.
Time Scales	Reoccurring
Costs	Medium
National Strategy	A – improve our understanding and communication of risk B – Preparedness and building resilience
Local Strategy	Objective 3 – champion NFM, sustainbabale drainage and nature based solutions Objective 4 – educate, advise and empower our communities to become more resilient Objective 5 – promote and support community adaption and partnership working
CCC Corperate Strategy 2022-27	WB Obj3 – Prosperous Communities (Thematic Priority: Community Safety, Resilience and Cohesion) WB Obj4 – Our Council
Cabinet Vision Statement	Ensure effective services in terms of managing and maintaining key infrastructure assets that include highway, drainage, street scene and local amenity assets.
RDB Areas	ALL
Funding Options	Revenue

Measure-8 Manage FCERM permitting and consenting	
Description	<p>We will continue to determine sustainable drainage and flood defence consents, within the statutory period, and offer a customer experience in keeping with the fees and charges paid for the service.</p> <p>We will aim, where possible, to enhance the customer experience with a pre-application service and working in partnership with Planning colleagues to maximise our service and support development and sustainable development and regeneration in Carmarthenshire.</p>
Benefits	<ul style="list-style-type: none"> • Deliver statutory obligations. • Ensure multiple benefits including flood risk, water quality, biodiversity and conservation plus amenity and wellbeing. • We receive and store the data on all new FCERM and drainage assets
Time Scales	Reoccurring
Costs	Medium
National Strategy	<p>A – improve our understanding and communication of risk</p> <p>B – Preparedness and building resilience</p> <p>D – preventing more people becoming exposed to risk</p>
Local Strategy	<p>Objective 2 – become data and information rich</p> <p>Objective 3 – champion NFM, sustainable drainage and nature based solutions</p>
CCC Corporate Strategy 2022-27	<p>WB Obj3 – Prosperous Communities (Thematic Priority: Community Safety, Resilience and Cohesion)</p> <p>WB Obj4 – Our Council</p>
Cabinet Vision Statement	Ensure effective services in terms of managing and maintaining key infrastructure assets that include highway, drainage, street scene and local amenity assets.
RDB Areas	ALL
Funding Options	Fees and charges (cost neutral)

Measure-9 Adopt and designate drainage systems and FCERM features	
Description	<p>In parallel with the ethos of schedule 3 of the Flood and Water Management Act 2010 (FWMA), and to ensure that the ownership of all new drainage systems is clear and transparent now and in perpetuity, we will seek to adopt all new drainage systems as per The Sustainable Drainage (Approval and Adoption Procedure) (Wales) Regulations 2018.</p> <p>In addition, and where appropriate, we will use the legal powers are set out in Schedule 1 of the FWMA and designate land and/or structures which are intended to address and mitigate the risk of the alteration or removal of a structure or feature that is situated on private land and which contributes to flood or coastal erosion risk management.</p>
Benefits	<ul style="list-style-type: none"> • A robust asset management and maintenance regime will be funded by a commuted sum and delivered by CCC. • Inhouse management should ensure accurate records and transparent ownership and responsibilities throughout the life time of the development.
Time Scales	Reoccurring
Costs	Low
National Strategy	<p>A – improve our understanding and communication of risk</p> <p>B – Preparedness and building resilience</p> <p>D – preventing more people becoming exposed to risk</p>
Local Strategy	<p>Objectives 1 – modernise and develop a risk based approach to flood and coastal risk management</p> <p>Objective 2 – become data and information rich</p> <p>Objective 3 – champion NFM, sustainbabale drainage and nature based solutions</p> <p>Objective 4 – educate, advise and empower our communities to become more resilient</p> <p>Objective 5 – promote and support community adaption and partnership working</p>
CCC Corporate Strategy 2022-27	<p>WB Obj3 – Prosperous Communities (Thematic Priority: Community Safety, Resilience and Cohesion)</p> <p>WB Obj4 – Our Council</p>
Cabinet Vision Statement	Ensure effective services in terms of managing and maintaining key infrastructure assets that include highway, drainage, street scene and local amenity assets.
RDB Areas	ALL
Funding Options	Fees and charges (cost neutrality)

Measure-10 Undertake enforcement	
Description	We will use our enforcement powers to uphold the integrity of all FCERM permitting and consenting processes but also, where applicable and appropriate, ensure that watercourses are managed and maintained.
Benefits	<ul style="list-style-type: none"> • Ensure the integrity of the FCERM permitting and consenting systems; • Potential for collaborative working either internally with Planning Enforcement or regionally with the SW Wales Flood Risk Management Group.
Time Scales	Reoccurring
Costs	Low
National Strategy	<p>A – improve our understanding and communication of risk</p> <p>D – preventing more people becoming exposed to risk</p>
Local Strategy	Objectives 1 – modernise and develop a risk based approach to flood and coastal risk management
CCC Corporate Strategy 2022-27	<p>WB Obj3 – Prosperous Communities (Thematic Priority: Community Safety, Resilience and Cohesion)</p> <p>WB Obj4 – Our Council</p>
Cabinet Vision Statement	Ensure effective services in terms of managing and maintaining key infrastructure assets that include highway, drainage, street scene and local amenity assets.
RDB Areas	ALL
Funding Options	Revenue

Mae'r dudalen hon yn wag yn fwriadol

CABINET

19 CHWEFROR 2024

PENODI LLYWODRAETHWR AR RAN YR AWDURDOD LLEOL**Y Pwrpas:**

Cyflawni rhwymedigaethau statudol o lenwi swyddi gwag ar Gyrrff Llywodraethol.

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Aelodau'r Cabinet i ystyried enwebiad gan y Cynghorydd Glynog Davies a Phennaeth Ysgol Gynradd Brynmanan ar gyfer rôl Llywodraethwr yr A. Ll.

Y Rhesymau:

Mae'r Cynghorydd Glynog Davies yn aelod o'r Corff Llywodraethol hwn ac ef yw'r Cadeirydd presennol.

Angen i'r Cabinet wneud penderfyniad OES

Angen i'r Cyngor wneud penderfyniad NAC OES

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:-

Y Cynghorydd Glynog Davies, Addysg, Pobl Ifanc a'r Gymraeg

Y Gyfarwyddiaeth:**Enw Pennaeth y Gwasanaeth:**

Aneirin R. Thomas

Awdur yr Adroddiad:

Tanja Neumayer-James

Swyddi:

Pennaeth Gwasanaethau Addysg
a Chynhwysiant

Pen Swyddog Llywodraethu
Ysgolion

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TNeumayer-
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EXECUTIVE SUMMARY

CABINET MEETING 19TH FEBRUARY 2024

LA GOVERNOR APPOINTMENT

There is an LA Governor vacancy on the Governing Body of Brynaman Primary School. Cllr. Glynog Davies (Chairperson of the Governing Body) and the Headteacher are nominating Miss Gabriella Robinson, who has served a term of office as parent governor already.

'Miss Robinson works in the local pharmacy, and her knowledge of the locality and business world has strengthened the Governing Body. Therefore, the Governing Body would benefit from her expertise as an LA Governor.'

Under normal circumstances, LA Governor appointments are made by Cllr. Glynog Davies in his role as Cabinet Member for Education, Young People & the Welsh Language.

DETAILED REPORT ATTACHED?

NO

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **Aneirin R. Thomas**

Head of Education and Inclusion Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Bio-diversity & Climate Change
NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below:

Signed: **Aneirin R. Thomas**

Head of Education and Inclusion Services

1. Scrutiny Committee request for pre-determination

NA

2. Local Member(s) - Cllr. Glynog Davies

3. Community / Town Council - N/A

4. Relevant Partners - N/A

5. Staff Side Representatives and other Organisations - N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Mae'r dudalen hon yn wag yn fwriadol