

DYDD MERCHER, 24 IONAWR 2024

**AT: HOLL AELODAU Y PWYLLGOR CRAFFU PERFFORMIAD AC
ADNODDAU CORFFORAETHOL**

YR WYF DRWY HYN YN EICH GALW I FYNYSBU CYFARFOD O'R
**PWYLLGOR CRAFFU PERFFORMIAD AC ADNODDAU
CORFFORAETHOL A GYNHELIR YN Y SIAMBR, NEUADD Y SIR,
CAERFYRDDIN, SA31 1JP AC O BELL AM 2.00 YP DYDD
MERCHER, 31AIN IONAWR, 2024** ER MWYN CYFLAWNI'R
MATERION A AMLINELLIR AR YR AGENDA SYDD YNGHLWM

Wendy Walters

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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*,
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**PWYLLGOR CRAFFU PERFFORMIAD AC ADNODDAU
CORFFORAETHOL**

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Cyng.Kim Broom (Is-Gadeirydd)
Cyng.Terry Davies (Aelod y Pwyllgor)
Cyng.Alex Evans (Aelod y Pwyllgor)
Cyng.Hazel Evans (Aelod y Pwyllgor)
Cyng.Deian Harries (Aelod y Pwyllgor)
Cyng.Jean Lewis (Aelod y Pwyllgor)
Cyng.Dai Nicholas (Aelod y Pwyllgor)

GRŴP LLAFUR - 3 Aelod

Cyng.Rob James (Aelod y Pwyllgor)
Cyng.Dot Jones (Aelod y Pwyllgor)
Cyng.Derek Cundy (Aelod y Pwyllgor)

GRŴP ANNIBYNNOL- 1 Aelod

Cyng.Giles Morgan (Cadeirydd)
Lle Gwag

HEB GYSYLLTIAD – 1 Aelod

Lle Gwag

AGENDA

1. YMDDIHEURIADAU AM ABSENOLDEB
2. DATGANIADAU O FUDDIANNAU PERSONOL GAN GYNNWYS UNRHYW CHWIPIAU PLEIDIAU A RODDIR MEWN YMATEB I UNRHYW EITEM AR YR AGENDA
3. CWESTIYNAU GAN Y CYHOEDD (NID OEDD DIM WEDI DOD I LAW)
4. YMGYNGHORI YNGHYLCH STRATEGAETH Y GYLLIDEB REFENIW 2024/25 TAN 2026/27 5 - 42
5. ADRODDIAD MONITRO CYLLIDEB CYFALAF A REFENIW 2023/24 43 - 86
6. RHAGLEN GYFALAF PUM MLYNYDD (CRONFA'R CYNGOR) 2024/25 - 2028/29 87 - 108
7. POLISI RHEOLI'R TRYSORLYS A STRATEGAETH 2024-25 109 - 160
8. EGLURHAD AM BEIDIO Â CHYFLWYNO ADRODDIAD CRAFFU 161 - 164
9. EITEMAU AR GYFER Y DYFODOL 165 - 170
10. LLOFNODI YN GOFNOD CYWIR GOFNODION Y PWYLLGOR A GYNHALIWDYD AR 12 RHAGFYR 2023 171 - 176

Mae'r dudalen hon yn wag yn fwriadol

Eitem Rhif 4

**PWYLLGOR CRAFFU PERFFORMIAD
AC ADNODDAU CORFFORAETHOL
31^{ain} IONAWR 2024**

**YMGYNGHORI YNGHYLCH STRATEGAETH Y GYLLIDEB
REFENIW 2024/25 TAN 2026/27**

Atodiad A - Strategaeth ar gyfer y Gyllideb Gorfforaethol o 2024/25 tan 2026/27

Atodiad A (i) - Crynodeb effeithlonrwydd sy'n ymwneud â'r Adrannau Prif Weithredwr a Gwasanaethau Corfforaethol

Atodiad A (ii) – Crynodeb Twf Gwasgedd sy'n ymwneud â'r Adrannau Prif Weithredwr a Gwasanaethau Corfforaethol

Atodiad B - Adroddiad Monitro Cyllideb sy'n ymwneud â'r Adrannau Prif Weithredwr a Gwasanaethau Corfforaethol

Atodiad C - Crynhoad o'r Taliadau sy'n ymwneud â'r Adrannau Prif Weithredwr a Gwasanaethau Corfforaethol

GOFYNNIR I'R PWYLLGOR CRAFFU:

- ystyried a rhoi sylwadau ar gynlluniau strategaeth y gyllideb
- ystyried a rhoi sylwadau ar gynlluniau ar gyfer arbedion effeithlonrwydd yn eu meysydd gwasanaeth hwy, a glustnodir yn Atodiad A(i)
- cyflwyno unrhyw gynlluniau eraill ar gyfer arbedion effeithlonrwydd.
- edrych yn fanwl ar y Gyllidebau Adrannol
- cymeradwyo'r Crynhoadau o'r Taliadau

Y Rhesymau:

Yn ei gyfarfod ar 15^{fed} Ionawr 2024, bydd y Cabinet wedi ystyried Strategaeth y Gyllideb Refeniw o 2024/25 tan 2026/27 (Atodiad A) ac yn cymeradwyo'r adroddiad at ddibenion ymgynghori. Yn y cyfarfod caiff y wybodaeth ddiweddaraf ei rhoi ar lafar ynghylch unrhyw newidiadau neu gynlluniau penodol gan y Cabinet, os bydd hynny'n briodol.

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

- Cyng. Darren Price (Arweinydd)
- Cyng. Alun Lenny (Adnoddau)
- Cyng. Phillip Hughes (Trefniadaeth a'r Gweithlu)

Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol	Swyddi:	Rhif Ffôn / Cyfeiriad E-bost:
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EXECUTIVE SUMMARY
CORPORATE PERFORMANCE & RESOURCES
SCRUTINY COMMITTEE
31st JANUARY 2024

REVENUE BUDGET STRATEGY CONSULTATION
2024/25 to 2026/27

The objective of the report is to allow members to consider the corporate budget strategy for the financial years 2024/25 to 2026/27 to consider the service delivery impact and options for the forthcoming years.

The report is set out as follows:

Appendix A

- The attached report is a copy of the Revenue Budget Strategy 2024/25 to 2026/27 that has been presented to the Cabinet. As part of the budget consultation process the report is presented to this Scrutiny Committee for your consideration.
- The report provides members with an initial view of the revenue budget issues for the forthcoming year and also reflects departmental submissions.

Appendix B

Current budget extracts for the Chief Executive and Corporate Services departments.

Appendix C

Charging Digest for the Chief Executive and Corporate Services departments. The charges for 2024/25 have yet to be adopted and any change to the proposed charges will impact on the budget/efficiency proposals.

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: **Chris Moore** **Director of Corporate Services**

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

1. Policy and Crime & Disorder
 The budget is being prepared having regard to the Improvement Plan.

3. Finance
 The report provides an initial view of the Budget Strategy for 2024/25, together with indicative figures for the 2025/26 and 2026/27 financial years. The impact on departmental spending will be dependent upon the final settlement from Welsh Government and the resultant final Budget adopted by County Council.

CABINET MEMBER PORTFOLIO HOLDERS AWARE/CONSULTED? YES	(Include any observations here)
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
2024/25 3-year Revenue Budget	Corporate Services Department, County Hall, Carmarthen

Mae'r dudalen hon yn wag yn fwriadol

REPORT OF DIRECTOR OF CORPORATE SERVICES
Corporate Performance and Resources Scrutiny Committee

31st January 2024

REVENUE BUDGET STRATEGY 2024/25 to 2026/27

(Copy of Cabinet report 15/01/2024)

DIRECTOR & DESIGNATION	DIRECTORATE	TELEPHONE NO.
C Moore, Director of Corporate Services	Corporate Services	01267 224121
AUTHOR & DESIGNATION	DIRECTORATE	TELEPHONE NO
R Hemingway, Head of Financial Services	Corporate Services	01267 224886

1. INTRODUCTION

- 1.1. Cabinet in September 2023 received a report on the Revenue Budget Outlook for 2024/25 to 2026/27 which appraised Members of the financial outlook and the proposals for taking forward the budget preparation.
- 1.2. This report provides Members with the current view of the Revenue Budget for 2024/25 together with indicative figures for the 2025/26 and 2026/27 financial years. The report is based on officers' projections of spending requirements and takes account of the provisional settlement issued by Welsh Government on 20th December 2023.
- 1.3. Whilst significant work has already been undertaken in preparing the budget, this report represents an initial position statement which will be updated over the coming months as the budget is further developed, council members are engaged and public consultation takes place. The final settlement is expect to be published by Welsh Government on 27th February 2024 alongside the WG budget, the day before full council meets to agree the final budget.
- 1.4. The report is broken down into seven parts:
 - Funding Projections/Provisional Settlement
 - Budget Requirement
 - Impact on the Authority's budget strategy, including risks
 - Consultation
 - Wellbeing of Future Generations
 - Conclusion
 - Recommendations

2. FUNDING PROJECTIONS/PROVISIONAL SETTLEMENT

- 2.1.** The provisional settlement was announced on Wednesday 20th December 2023, the latest date this has ever been provided. Provisional figures for individual Local Authorities were provided for 2024/25, with no indicative figures beyond that year. The combination of these two factors exacerbate the already significant challenges faced by Local Authorities in developing plans for a legally balanced budget and our duty to prepare a Medium Term Financial Plan (MTFP).
- 2.2.** The Westminster Autumn Statement was announced in November 2023, which in previous years has provided a significant increase in the Welsh Government funding envelope, used the estimated £25bn fiscal headroom to reduce employees national insurance, with no meaningful uplift in public spending. Whilst business rates relief in England is continued at 75% for retail, leisure and hospitality, WG have reduced this figure to 40% in Wales (capped at £110,000 relief), with the NNDR multiplier also increasing by 5% from 53.5p to 56.175p
- 2.3.** The main points of the Provisional Settlement 2024/25 on an all Wales basis are as follows:
- 2.3.1. Local government revenue funding for 2024/25 set at £5.690 billion, an increase of 3.1% (£170 million) compared to 2023/24 (on an all Wales basis) .
 - 2.3.2. The Settlement figures for Carmarthenshire are an increase in the provisional settlement of 3.3% (£11.0 million). The Aggregate External Finance (AEF) therefore increases to £349.441 million in 2024/25.
 - 2.3.3. No funding allocated for either Teachers' or Firefighters' pension increases, as this mechanism has not yet been worked through between Westminster and Welsh Government. Whilst this is assumed to be a nil impact on our funding position, this is a significant risk until formally confirmed, with a value of c. £4m.
 - 2.3.4. The Minister's letter accompanying the settlement stresses that all available funding has been provided, and Local Authorities "must therefore accommodate" costs such as the September 2024 Teachers pay deal, although there is no clarity on what has been assumed.
 - 2.3.5. There is a funding floor to ensure no authority receives less than 2%, however the value is minimal (£1.3m) and so has had little effect on the actual distribution between individual Local Authorities, ranging from +2% (Gwynedd, Conwy) to +4.7% (Newport). These variances are driven by updates to key datasets which influence the funding allocation, such as relative population changes, the number of

Universal Credit Claimants and eligible Free School Meal Pupils in particular areas.

This settlement is marginally above our planning figure of a 3.0% increase and provides £0.9m more than our original assumption. Whilst this is welcome, the inflationary, pay awards and pressures increases far exceed the funding provided. To put this into context, the additional budget required in 2024/25 to meet the cost of pay awards alone totals £15m.

In particular, no additional funding has 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). Welsh Government recognise that this is the most challenging settlement since devolution.

- 2.4.** We have set our Medium Term Financial Plan (MTFP) assumptions for 2024 and beyond to accommodate the continued easing of inflation, back to the Bank of England CPI target of 2%. In line with the current MTFP, a key assumption is that across our workforce, pay awards track the prevailing inflation rate over the medium term.

Against this level of increasing costs, the outlook for Welsh Government Funding and Local Authority Settlements, as forecast by Wales Fiscal Analysis (part of Cardiff University) appears bleak, with 2 slightly different scenarios:

YoY % change (nominal)		2025/26	2026/27
Central Scenario	WG budget	1.7% (+£358m)	2.1% (+£435m)
	LA settlement	-0.3%	-0.5%
Alternative Scenario	WG budget	2.5% (+£518m)	2.8% (+£589m)
	LA settlement	1.0%	0.7%

With no formal indication of forward funding, and the added uncertainty of elections for both UK Government (before January 2025), and Welsh Government (May 2026) combined with a new Welsh First Minister, our assumptions are based on the alternative scenario, which aligns broadly with UK Government’s spending plans before the Truss/Kwarteng budget event.

Either scenario marks a de facto return to austerity. These figures are the lowest since 2019/20 – whilst that was an incredibly challenging budget to balance, the increased scale of inflationary and unavoidable pressures cannot be overstated – the 2019/20 Carmarthenshire draft

budget included a mere £2.2m for unavoidable pressures vs the £15.4m which this paper provides for in paragraph 3.4.2 below. Years 2 and 3 of the MTFP may be our hardest yet.

The financial model forecasts a requirement for £37m savings over the three year MTFP period.

Details of the many Welsh Government Service Specific Grants were provided alongside the provisional settlement on 20 December 2023 at an all-Wales level. For 2024/25, as has been standard over several years, most remain at the same cash value to previous years, which will in reality reduce outputs. This has been true for a number of years, and it is important to recognise the genuine and unavoidable impact this will have on outputs. There is a high value of grants which underpin statutory services across education, social care and universal services such as waste. With the level of general inflation as well as pay awards at a much higher level, the impact of this next year will be significant.

2.5. There are however some important updates to specific grants:

- The Social Care Workforce Grant (£45m all Wales in 2023/24) has been reduced by £10m (22%). The grant was originally introduced by WG to help meet wage cost pressures within the commissioned sector, and therefore underpins core service delivery, so is essentially an additional budget pressure.
- WG have merged around 20 historic Education grants into just four, with a total value of more than £380m across Wales. Notably funding previously earmarked for regional consortia working is now provided directly to Local Authorities. Both of these changes have the potential to increase flexibility according to local need and reduce administration costs, however this will be dependent upon actual grant terms and conditions, which are not yet known.

With the exception of c. £3-4m of temporary new curriculum funding which is diverted to pay for Mutual Investment Model financing costs going forward, Education grants are essentially flat in cash terms year on year, therefore does not allow for the obvious additional cost of either nationally agreed NJC pay awards, or the Welsh Education Minister's increase in teachers' salaries of an additional 3% announced in March 2023 following the previous WG budget.

The Funding which Welsh Government provided in 2023/24 towards both the uplifted Teachers' pay offer and holiday Free School Meal payments has ceased. This has instead been diverted to cover the additional £30m required for the rollout of Universal Free School Meals across all primary pupils. The Recruit Recover and Raise Standards (RRRS) grant has been protected, instead of the planned reduction.

Following a drawn out process, WG have finally increased the Universal FSM value from £2.90 to £3.20 per meal. Whilst this is unlikely to meet the true costs of the provision within Carmarthenshire, it should in part mitigate the current year overspend position continuing into next year.

The Minister's letter makes it clear that there is potential to transfer some current grants into the RSG as part of the final settlement. Whilst in principle this is a positive step, it requires that WG remove specific conditions around delivery/expenditure – without this change, it is unlikely to bring any efficiencies/benefits of greater local control. In addition, whilst the grant conditions may be removed by WG, there may still be a requirement to deliver this element of service at an Authority level, therefore the transfer of funding will need to be passported to the service to ensure continued delivery.

In March 2023, Full Council agreed to apply premiums to both second and empty homes, recognising the policy goal of incentivising properties being brought back into use to ease pressures of local housing demand. From April 2024, both will attract a 50% premium, which has provided a significant uplift to the tax base, as approved by Cabinet in December 2023. This increase has been applied to budget forecasts, yielding an additional estimated £1.7m. A review of the impact of this policy will take place during the year and Cabinet will consider further potential increases in premium, whilst also assessing whether more properties have come back into use.

3. BUDGET REQUIREMENT 2024/25

3.1. Current Years performance (2023/24)

3.1.1. As the Authority's core spending requirement 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
Unfunded Pay offers			0
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 (more information provided in paragraph 3.4.2 below). There are also overspends arising from school meals and primary breakfasts.

- 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. **It is imperative that any structural issues causing this are dealt with in next year’s budget as this is not a sustainable financial position.**

3.2. Validation

3.2.1. 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. The key validation factors are as follows:

	<u>2024/25</u> <u>Original</u>	2024/25 Proposed	2025/26	2026/27
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 (see para 3.2.9)	3.0%	8.6%	3.0%	2.0%
Pension Contributions	nil	nil	nil	nil
Capital Charges	£500k	nil	£500k	£500k

3.2.2. Following last year’s unprecedented increase in energy costs, the values have thankfully reduced, albeit not fully. The rates procured by Crown Commercial Services provide a £3m year on year saving towards bridging our budget gap, and with indications of a further £1m for 2025/26, which is built into our budget calculations.

3.2.3. The Council’s 2023/24 budget was set on the basis of a 5% pay award for both NJC staff (the largest share of our payroll by value and staff numbers) and Teachers. This was, for the

second year running, insufficient to meet nationally agreed awards, as follows:

- 3.2.4. The April 2023 NJC award has now been agreed at a flat value of £1,925 across grades up to SCP 43 (locally Grade L), with 3.88% for staff above this and 3.5% for Chief Officers. When combined with annual incremental drift (now that we are budgeting on individual officer salaries rather than top of scale), the cost is some £3.5m above budget. The “catchup” must be built into the budget calculations for 2024/25. We have assumed 4% next year on the basis of falling inflation.
- 3.2.5. In March 2023, after the WG budget had been finalised, the Welsh Education Minister responded to Teacher strike action with an improved offer covering both September 2022 and September 2023. Temporary (and insufficient) grant funding was provided for the 2023/24 financial year, however Welsh Government has not had enough resources to meet the obvious cost which needs to be built into recurrent budgets going forward, therefore leaving this as an unfunded pressure for local authorities. The value of this shortfall is £3m for Carmarthenshire, of which thankfully only £1.5m needs to be added due to prudent budget assumptions taken last year. Looking ahead to the September 2024 award, which is within WG discretion, the Minister’s letter is clear that this must be accommodated within the settlement, however the planning assumption which WG have used is neither publicly available nor are officials able to provide any greater clarity on this point. Our draft budget assumes 4% for next year, with a recognition that any extra above this would be unfunded and represent an explicit significant risk. Every 1% is worth approximately £1m.
- 3.2.6. Given uncertainty over the forward trajectory, the previous MTFP planning assumption aligned future pay awards with the prevailing rate of inflation. Whilst this remains a prudent and reasonable assumption, any lead or lag may inevitably create a temporary budget imbalance which will need to be corrected. This is compounded by a clear mismatch between actual inflation experienced in the economy and forecasts at the time of multi year budget setting. This is acutely true for Westminster department budgets, last set in the 3 year comprehensive spending review back in 2021. These in turn largely determine Welsh Government’s budget changes through the Barnett consequential mechanism, with WG stating that next year’s funding envelope is worth £1.3bn less as a result of the inflationary effect.

3.2.7. Against these extraordinary increases, we are proposing to implement a “vacancy factor”. Pay budgets have historically been set assuming all teams are fully staffed. This is in practice never achieved – there is inherent staff turnover arising from retirements, internal promotions, external recruitments etc. This budget approach is prudent but leads each year to an underspend, but this will vary from team to team, and from year to year depending on individual circumstances. To help bridge the budget shortfall, the budget includes £2m as a “vacancy factor”. This will be apportioned across council departments, with the exception of delegated school budgets (as they are governed by the fair funding formula). A proportion of this can be met from normal turnover, but where this is insufficient, departments will need to hold posts vacant for a sufficient time to achieve the target saving. This will inevitably lead to a reduction in service levels and/or longer waits in some service areas, but will help mitigate from more adverse budget reductions which could lead to the permanent removal of some services.

3.2.8. The 2023/24 budget includes a remaining contingency budget which it was recognised at the time of budget setting needed to at least partially offset the scale of the April NJC employers pay offer. This is now fully released in the 2024/25 budget, leaving no explicit in-year contingency.

Additionally, the scale of the revenue budget pressures are such that our standard assumption of a £500k increase in capital charges has been removed. This reduces the revenue budget shortfall, however it has an inevitable consequence of limiting the addition of any new schemes to the capital programme.

3.2.9. We understand from the Fire Authority that their indicative budget assumed a levy increase of 9.4%, overall, but factoring in population adjustments across constituent authorities, the increase is 10.4% for Carmarthenshire. Of this, 1.8% relates to increased employer pension contributions, with the remainder primarily driven by nationally set pay awards, combined with specific service pressures, the largest of which is Welsh Government’s withdrawal of the Firelink grant. As set out in paragraph 2.3.2 above, we must assume the pensions element will be fully provided for either through an increased final settlement or direct grant award. Our budget therefore provides

in full for the core 8.6% increase, adding £1.1m to our budget requirement.

3.2.10. As a result of these factors, validation adds over £23 million to the current year’s budget.

3.3. Cost Reduction Programme

In anticipation of the settlement challenges, significant work to review service efficiencies/rationalisation proposals has been undertaken.

3.3.1. The savings targets set for each financial year are as follows:

	2024/25 £m	2025/26 £m	2026/27 £m
Original target – MTFP (March 2023)	6.448	4.445	n/a
Budget Outlook (September 2023)	7.900	n/a	n/a
Proposed Savings (inc shortfall)	13.562	12.098	11.005

3.3.2. Accordingly, departments have developed a range of proposals, and these efficiencies are included in **Appendix A** of this report.

- The efficiency proposals are categorised as follows:

Managerial – Efficiencies that result in no perceivable change to the overall level of service delivery.

Policy – Efficiency or service rationalisation proposals that will directly affect service delivery.

	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

(Detail at **Appendix A**)

Whilst these budget reduction proposals cover a broad range of services, the common factor is the impact upon our workforce. It is more than a decade since the start of Austerity and the

continual pressure on staff to maintain services whilst doing more with less. Local Authorities' incredible response to the pandemic, whilst is a source of great pride, has only exacerbated this – raising the level of expectation with the public, putting increasing and potentially unsustainable pressure on staff.

- 3.3.3. More work will need to be undertaken to further develop these efficiencies. Years 2 and 3 in particular will require radical and perhaps unprecedented change to bridge the scale of the budget gap.

3.4. New Expenditure Pressures and contingency

- 3.4.1. New expenditure pressures are the combinations 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.

- 3.4.2. The original budget outlook report included £7.5 million per annum to meet growth pressures, an increased figure based on the experience of recent years.

Despite this adjustment, a much higher value of initial growth bids were received from departments, totalling more than £26 million. Based on an evaluation of the value and unavoidable nature of pressures submitted, initial indications are that many of the submissions are genuinely unavoidable and have already been constrained where practical. At this stage in the budget development, and pending further analysis to be undertaken by Directors, an indicative sum of £15.4 million has been allocated across departments (Appendix B).

The most significant area of pressures is within Children's services. Carmarthenshire has long had the lowest number of looked after children per capita of any Local Authority in Wales, with a strong emphasis on early intervention and prevention, and very low numbers of complex residential placements. This has provided a significant financial dividend over many years, allowing continued investment in wider services which have benefitted citizens. Nationally, there has been an unprecedented increase in demand during and since the pandemic. Increased costs were initially mitigated through covid grants, with the increase in many local authorities reporting significant overspend and consequently unavoidable pressures. In 2022/23, the service overspent by £3.6m and this is forecast to increase to £6.5m for 2023/24, due to a combination of acute social worker shortages, increased disability costs and a sharp increase in both the number and cost of residential placements. This last point is, ironically, exacerbated by the national "profit elimination" agenda, which is removing the incentive for the commissioned sector to invest in capacity building, and so leading to a market failure.

Following detailed, intensive work by senior officers, led by the deputy Chief Executive, budget growth of £5.5 million is allowed next year. This will provide sufficient funding to grow our workforce to the required level, as well as invest in two new in-house residential facilities, and meet known commitments to families of disabled children. It will need to be augmented by reserve funding for commissioned residential placements as they gradually reduce, and a further increase in the base budget in 2024/25 as new facilities become operational, including a planned third residential home.

Adult social care is also under significant financial pressure. This is largely explained by three factors:

- Another double digit increase the Foundation Living Wage, which WG mandates Local Authorities to pay the commissioned care sector, but the increased cost is not met in the settlement.
- Demand pressures were in effect suppressed both by the pandemic (families were better able to meet care needs with increased homeworking and may also have been concerned about residential care), combined with known capacity issues which have begun to abate.
- Ambitious budget reduction targets requiring transformational change, combined with whole system capacity constraints.

There is potential to ease the pressure through a possible change to the weekly cap of £100 for client contributions which applies in Wales. This has remained unchanged since 2021 despite an unprecedented increase in care costs over same period. A national debate is urgently needed over where the increasing costs should be met, as the current funding model is clearly unsustainable.

3.4.3. New expenditure pressures funding adds £15.4 million to the budget. The detail is provided at **Appendix B**.

3.4.4. In addition to new pressures, it is necessary to reinstate departmental budgets for prior year unmet savings – i.e. savings proposals relating to financial year 2022/23 which it has not been possible to deliver, totalling £646k, as shown in the following table:

Service / Proposal	Value undelivered £000s
People Mgt – realignment of OD, Income generation	67

Childrens –Garreglwd Income	150
Education – Music service travel; EOTAS recoupment and ALN assessment unit	159
Leisure – Franchises	25
Adult social care – Supported living rightsizing	115
Highways – parking and road safety	130
Total	646

It should be noted that the savings position for the current year represents a further risk looking ahead. Based on the October monitoring, there is a total of £3.3m which is not yet delivered

3.5. Schools Delegated Budgets

3.5.1 Our MTFP approach is to provide in full for known pressures to school budgets including inflationary costs and pay awards. Until last year, for a long period this also did not require any budget reduction proposals.

In 2023/24 delegated school budgets represent more than 30% of the authority’s net revenue budget. Given the scale of the financial challenge again this year, it is impossible to shield schools without having a disproportionate impact on other areas. This budget therefore includes a £3.5m saving applied, which is consistent with the level of savings required of other areas of council services.

Members should also note that as outlined in paragraph 2.5 above, the planned reduction to the RRRS grant has been reversed, which will at least provide partial mitigation.

3.6. Internal Funding

3.6.1. 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.

3.6.2. In deliberating this point however, members must bear in mind any **inherent risks** that may be built into the budget strategy. These include:

- 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. 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
- 2023 NJC and Teachers Pay awards – our 4% assumption may be insufficient
- Any worsening of the Children's Services position, or delays to delivery of the recovery plan.
- Adult Social care delivery – it is acknowledged that the funding position is extremely 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

As noted in last year's MTFP, the Westminster Government Autumn statement 2022 indicated much of the fiscal tightening is planned in the three years following the next General Election. This position remains unchanged.

3.6.3. 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	2,379	2,379
General Reserves	14,756	9,444	9,444	9,444
Earmarked Reserves	142,868	103,699	58,359	43,166

School Reserves

- 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. Officers have yet to be informed of any transfers to/from these reserves by individual schools for future years.
- Legislation allows schools to carry forward reserves from one financial period to another. The School Funding (Wales) Regulations 2010 requires schools to limit their accumulated reserves at year end to £50,000 for Primary Schools and £100,000 for Secondary and Special Schools or 5% of their

budget dependent on what is greater. School Improvement officers are currently working with schools to ensure they comply with the guidance. As at 31st March 2023, 24 primary, 2 secondary and 1 special schools were in deficit.

3.6.4. **General Reserves**

- 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, Council has previously deemed 3% of net expenditure as being a prudent level, which has been accepted by our Auditors as being reasonable
- 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 no transfers from the General Reserves. Based upon the October Budget monitoring (outlined in paragraph 3.1.2 above) there could be a draw on General Reserves of £5.3m and a fall of £8.8 m in school balances at the end of the current financial year – taken together we are, in effect, spending 3% more than our current year budget. The Corporate Management Team has already responded to this position, with measures including the current recruitment freeze, the Children’s Services recovery plan and enhanced financial communication to schools regarding the severity of the situation.
- The budget proposals therefore assume nil contribution from general reserves in support of the recurrent revenue budget requirement in 2024/25.
- Taking account of the proposals within this report, and the corrective actions being undertaken in respect of the current year overspend position, 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, but is also very conscious of the significant risks highlighted in paragraph 3.6.2 of this Budget Strategy.

3.6.5. **Earmarked Reserves**

- 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	21,579	14,815	12,881
TOTAL	142,868	103,699	58,359	43,166	38,043

- 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.
- In constructing next year’s budget, there are two areas when it is deemed reasonable and prudent to draw on earmarked reserves:
 - Childrens residential placements, which are expected to reduce as new Local Authority operated facilities become operational – this will be met by the RSG reserve
 - Ongoing support for Interim waste service costs, recognising that the current waste service is more expensive than the forecast cost of implementing the full WG blueprint model. Where these costs cannot be met from existing budgets, there may be a need to draw on departmental earmarked reserves.
- The Director is very conscious of the ongoing commitment to capital projects (particularly in light of acute cost escalation on high profile schemes) and of the demand on future services and

therefore feels the earmarked reserves position will need to be monitored closely going forward.

4. IMPACT ON THE AUTHORITY’S BUDGET STRATEGY

The table below provides an updated position on the current financial outlook taking account of the provisional settlement and also other recent validation changes.

4.1. The Current Financial Outlook (updated for the Provisional Settlement) is set out in the table below:

	Current MTFP		Proposed Financial Model		
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Previous Year’s Budget	450,330	463,357	450,341	470,851	479,660
General Inflation	3,879	2,609	5,771	4,451	3,058
Energy	-1,408	0	-3,000	-1,091	0
Pay Inflation	8,053	5,662	15,407	8,364	5,688
Other, incl capital charges and release of corp contingency	1,452	1,279	511	1,683	1,511
Growth	7,500	7,500	15,382	7,500	7,500
Savings proposals incl vacancy factor	-4,384	-3,996	-12,761	-3,404	-3,439
Further savings to be identified	-2,064	-449	-801	-8,694	-7,566
Funding unallocated	Nil	Nil	Nil	Nil	Nil
Net Expenditure	463,357	475,961	470,851	479,660	486,411
Funded by:					
Revenue Settlement	346,522	355,179	349,441	352,929	355,400
Council Tax Receipts	116,835	120,783	121,410	126,730	131,012
Council Tax Increase:	4.00%	3.00%	6.50%	4.00%	3.00%

4.2. The total of budget reductions now required for 2024/25 is £13.6m and for the 3 year period are estimated at £37m.

4.3. The 2024/25 budget contains a budget shortfall of £801k, which has not been met. Members will need to consider whether this should best be

delivered through increased council tax levels, fees and charges or further budget reductions (yet to be identified). This shortfall, unprecedented at this stage of the budget development, must be considered alongside:

- 4.3.1. Responses to the consultation process
- 4.3.2. Clarification of specific grants – including the inflationary impact of reduced outputs
- 4.3.3. Further growth pressures not currently addressed
- 4.3.4. Changes in assumptions on inflation and pay offers
- 4.3.5. Changes arising from the final settlement

5. CONSULTATION

Budget consultation has been planned for the coming month and a summary of the individual approaches are as follows:

- 5.1. Members seminars. (15-19 January 2024)
- 5.2. The public consultation was launched on 21 December 2023 and will run until 28 January 2024
- 5.3. Town & Community Councils meeting on 17 January 2024
- 5.4. Commercial ratepayers consultation in January 2024
- 5.5. Consultation with Scrutiny Committees 25-31 January 2024.
- 5.6. Consultation with the Schools Budget Forum on 23 January 2024
- 5.7. Trade Union Consultation meeting on 22 January 2024

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. CONCLUSION

- 7.1.** Currently the budget proposals assume the full delivery of all of the savings proposals submitted.
- 7.2.** Work needs to be undertaken to further develop the cost reductions for years 2025/26 and 2026/27 to be able to maintain the current Budget Strategy and level of council tax. Departments will be working over the forthcoming year to refine these savings, but it is likely that radical options will be required.
- 7.3.** The critical importance of minimising the level Council Tax increase for our residents is recognised alongside the requirement to set a legally balanced budget in the context of significant uncertainty in future funding settlements.
- 7.4.** Given the current risks around this Budget Strategy and the ongoing inflationary backdrop, the Council Tax increase next year has been amended to 6.5%, seeking to mitigate reductions to critical services valued by our residents. In years 2 and 3, the financial picture remains uncertain, and as such we have modelled indicative Council Tax increases of 4% and 3% purely for planning purposes, seeking to strike a balance with budget reductions. This partially alleviates the scale of the reductions proposals which the council needs to consider over future years of the Medium Term Financial Plan.

- 7.5.** Over the coming weeks and part of the refining of the Medium Term Financial Plan where the Authority gets further clarification on costs and grant funding and feedback on the consultation, the Authority will aim to limit the Council Tax increase as far as possible.

8. RECOMMENDATION

8.1. That Cabinet:

- 8.1.1. Note the contents of the report and approve the three year Budget Strategy 2024/25 – 2026/27. This strategy will be used to support the budget consultation and form the basis of the final budget proposals.
- 8.1.2. Note the budget reductions/savings proposals in Appendix A, which will be considered as part of the consultation.
- 8.1.3. Note the 2024/25 shortfall of £801k in the current strategy, for which increased funding or cost reductions will need to be identified at the completion of the consultation as noted in paragraph 4.3.
- 8.1.4. Note that this MTFP includes a proposal to use reserve funding to support one off costs for Children Services.

CORPORATE PERFORMANCE & RESOURCES SCRUTINY COMMITTEE
31st January 2024
Efficiency Summary

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	1,005	165	155	1,325	35	320	730	1,085	300	300	185	785	1,340	785	1,070	3,195
Schools Delegated	0	0	0	0	0	0	0	0	3,454	0	0	3,454	3,454	0	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	1,242	534	225	2,001	53	45	0	98	480	274	500	1,254	1,775	853	725	3,353
	6,439	2,465	2,024	10,928	88	365	730	1,183	4,234	574	685	5,493	10,761	3,404	3,439	17,604

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

Tudor 30

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.
Total Chief Executive			690	82	109	881	
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	
Total Corporate Services			320	210	0	530	
MANAGERIAL Total			1,010	292	109	1,411	

Mae'r dudalen hon yn wag yn fwiadol

Demographic, Legislative or continuing pressures

APPENDIX A(ii)

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
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
TOTAL		696

Mae'r dudalen hon yn wag yn fwiadol

Corporate Performance & Resources Scrutiny Report
Budget Monitoring as at 31st October 2023 - Detail Monitoring

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Notes
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Chief Executive										
Chief Executive-Chief Officer	242	0	-260	-19	237	0	-260	-23	-5	
Chief Executive Business Support Unit	709	-4	-585	121	502	0	-585	-83	-204	Underspend on salaries due to one staff member being on maternity leave, three vacant posts, no commitment due to recruitment freeze.
Chief Executive Total	951	-4	-845	102	739	0	-845	-106	-209	
People Management										
TIC Team	246	-101	-221	-76	304	-61	-221	23	99	Additional support for office downsizing, funding to be confirmed (£64k). Income efficiency target (£35k) not likely to be delivered in 2023/24.
Social Care Workforce Development Programme	725	-446	1	280	831	-552	1	280	-0	
Practice Placements	69	-67	0	2	86	-84	0	2	-0	
Business & Projects Support	262	0	-275	-13	236	0	-275	-39	-26	£18k salary efficiency target not met. Offset by savings on Supplies and Services and staff member working reduced hours.
Payroll	913	-386	-285	241	1,029	-404	-285	339	97	Salary efficiency targets not met (£80k) along with £41k in year overspend on agency staff to deal with volume of recruitment work being undertaken. This is partially offset by vacant posts during the year.
People Services – HR	913	-291	-786	-164	1,012	-276	-786	-50	114	£108k salary efficiency savings not met. £75k temp unfunded posts to implement new recruitment system. This is partially offset by vacant posts during the year.
Employee Well-being	833	-381	-423	28	834	-386	-423	25	-3	
Organisational Development	507	-42	-498	-32	703	-211	-498	-5	27	Income efficiency target not achieved
Employee Services – HR/Payroll Support	149	0	-132	17	148	0	-132	17	-1	
School Staff Absence Scheme	0	0	0	0	383	-383	0	0	0	
DBS Checks	143	0	0	143	121	-2	0	118	-25	Underspend based on this and past year's expected volume of checks required.
People Management Total	4,759	-1,714	-2,619	426	5,687	-2,360	-2,619	709	282	
Admin and Law										
Democratic Services	2,237	-304	2,380	4,313	2,161	-331	2,380	4,210	-103	Underspend on members pay & allowances (£76k) along with additional income from the HRA (£27k)
Democratic Services - Support	550	-8	-494	47	514	-36	-494	-16	-63	Underspend on supplies & services (£16k), short term vacant posts during the year (£42k), additional income for work undertaken by Partneriaeth (£5k)
Corporate Management	0	0	296	296	0	0	296	296	0	
Civic Ceremonial	28	0	21	48	14	0	21	34	-14	Underspend on members hospitality/expenses, & transport cost savings following reducing from two vehicles to one.
Legal Charges	105	-287	20	-163	124	-197	20	-54	109	Shortfall in income due to low demand for searches due to downturn in the housing market
Police and Crime Commissioner	0	0	0	0	22	-22	0	0	0	
Legal Services	2,139	-285	-1,511	342	2,112	-268	-1,511	332	-9	
Central Mailing	49	0	1	49	27	-4	1	24	-26	Saving on franking machine leasing costs
Admin and Law Total	5,106	-884	711	4,933	4,974	-858	711	4,827	-106	

Corporate Performance & Resources Scrutiny Report
Budget Monitoring as at 31st October 2023 - Detail Monitoring

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Notes
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Marketing & Media										
Marketing and Media	790	-69	-177	544	715	-61	-177	477	-67	Underspend due to three vacant posts not being filled due to recruitment freeze
Translation	576	-56	-502	19	481	-56	-502	-77	-95	Underspend on salaries, one staff member on maternity leave, one vacant post that will now to be filled in the current financial year, along with smaller underspends on supplies & services (£183k), offset by an overspend on set up and configuration of new communications software.
Customer Services Centres	1,267	-380	-762	125	1,132	-376	-762	-7	-131	(£183k), offset by an overspend on set up and configuration of new communications software.
Yr Hwb, Rhydaman a Llanelli	110	-99	8	19	90	-48	8	50	30	Shortfall in income mainly due to decreased demand for desk space rental
Total Marketing & Media	2,743	-604	-1,432	707	2,417	-541	-1,432	444	-263	
Statutory Services										
Elections-County Council	115	0	129	244	115	0	129	244	0	
Registration Of Electors	179	-3	243	419	330	-154	243	419	-0	
Registrars	592	-407	192	376	642	-458	192	376	0	
Coroners	366	0	8	374	437	0	8	445	71	Large increase in number of cases being referred to the Coroner in general. Corresponding increase in volume and cost of toxicology and histology reports. Post mortem fees have doubled in the last 2 years due to increase in rates charged. Undertakers fees increased by 11.5%, Mortuary Fees increased by 5%.
Electoral Services - Staff	281	0	-291	-9	239	0	-291	-52	-43	Vacant post. Not being filled in current year.
Statutory Services Total	1,532	-410	281	1,404	1,763	-612	281	1,432	29	
Regeneration, Digital & Policy										
Regeneration Management	311	0	38	349	347	0	38	385	36	Overspend due to cessation of staff time that we are able to charge to grants
Betws wind farm community fund	87	-87	1	1	87	-87	1	1	0	
Welfare Rights & Citizen's Advice	161	0	2	162	161	0	2	162	0	
Llanelli Coast Joint Venture	160	-160	5	5	132	-132	5	5	-0	
Econ Dev-Rural Carmarthen, Ammanford, Town Centres	365	0	5,623	5,988	365	0	5,623	5,988	-0	
Econ Dev-Llanelli, C Hands, Coastal, Business, Inf & Ent	402	0	89	490	402	0	89	490	0	
Community Development and External Funding	576	0	109	686	576	0	109	686	-0	
Period Dignity Grant	0	0	0	0	105	-105	0	0	0	
Welsh Language	275	0	19	294	275	0	19	294	-0	
Swansea Bay City Deal	0	0	24	24	-0	0	24	24	-0	
South West Wales Corporate Joint Comm	0	0	0	0	10	-10	0	-0	-0	
Information Technology	5,786	-970	-3,792	1,024	5,703	-963	-3,792	948	-76	6 vacant posts which will not now be filled as a result of the recruitment freeze.
Welsh Language	141	-11	-153	-24	117	-11	-153	-48	-24	Part year vacant post not currently being filled due to recruitment freeze
Chief Executive-Policy	737	-33	-786	-83	744	-33	-786	-75	7	

Corporate Performance & Resources Scrutiny Report
Budget Monitoring as at 31st October 2023 - Detail Monitoring

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Notes
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Public Services Board	6	0	0	6	15	-9	0	6	-0	
Armed Forces Covenant Scheme	0	0	0	0	73	-73	0	0	0	
Armed Forces and Remembrance	5	0	0	5	1	0	0	1	-4	
Property	1,016	-95	-1,251	-330	916	-10	-1,251	-345	-15	Shortfall of £85k in external income offset by £66k staffing savings due to 3 vacant posts in early part of the year. 1 post currently vacant not currently being replaced due to recruitment freeze. £34k underspend on non salary budgets.
Management of Markets, Employment Sites and Premises	216	0	0	216	223	0	0	223	8	
Commercial Properties	54	-486	537	105	126	-574	537	89	-16	Reasonably high occupancy rates currently
Provision Markets	719	-584	366	501	660	-491	366	535	34	Low occupancy rates has resulted in a shortfall of £93k in anticipated income. This is offset by savings made in premises related costs.
Asset Sales	21	0	0	21	28	0	0	28	7	
Operational Depots	490	0	-326	165	495	0	-326	169	4	
Administrative Buildings	4,647	-888	-3,386	374	4,426	-728	-3,386	313	-61	£42k savings on employee costs due to vacancies and recruitment freeze. £19k savings estimated on premises related running costs.
Industrial Premises	613	-1,638	942	-82	857	-1,947	942	-148	-66	Relatively High occupancy rates currently
The Beacon	252	-151	50	151	253	-138	50	165	13	Decrease in demand for office space.
County Farms	83	-368	522	236	90	-368	522	243	7	
Livestock Markets	65	-120	3	-51	20	-38	3	-15	36	Potential shortfall in income at Llandovery and Carmarthen Marts pending receipt of turnover figures from the respective operators
Property Division Business Unit	136	0	22	159	0	0	22	22	-136	Vacant HOS post awaiting further review of new divisional structure
Property Maintenance Business Unit	1,170	-1,351	65	-117	1,156	-1,337	65	-117	0	
Property Maintenance Operational	12,151	-12,507	183	-173	15,881	-16,019	183	44	217	£18k deficit due to pay award. Following Housing Disaggregation a review of recharges needs to be undertaken to take account of revised operating costs.
Property Maintenance - Notional Allocation	2,800	0	13	2,812	2,800	0	13	2,812	0	
Schools Handyvan Service	0	0	0	0	243	-243	0	-0	-0	
Mechanical and Electrical Schools & other LEA SLA	515	-515	0	0	515	-515	0	-0	-0	
Pumping Stations	57	0	0	57	57	0	0	57	-0	
Property Design - Business Unit	2,634	-3,010	165	-211	2,853	-3,317	165	-298	-87	Review of projected income based on current vacancies
Design & Professional Services	0	0	0	0	113	-113	0	0	0	
External Funded Schemes	9,001	-8,997	303	307	7,376	-7,372	303	307	-0	
Total Regeneration, Digital & Policy	45,651	-31,972	-612	13,067	48,197	-34,633	-612	12,953	-115	

Corporate Performance & Resources Scrutiny Report
Budget Monitoring as at 31st October 2023 - Detail Monitoring

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Notes
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Financial Services										
Corporate Services Management Team	514	-153	-422	-61	515	-157	-422	-64	-3	
Accountancy	1,942	-510	-1,253	179	1,940	-476	-1,253	211	32	£35k overall shortfall on income targets consisting of a £22k shortfall on deputyship income and £13k of other smaller income shortfalls. £29k net underspend on vacant posts during the year; £26k net overspend on supplies and services.
Treasury and Pension Investment Section	284	-226	-70	-12	283	-228	-70	-15	-4	
Grants and Technical	370	-120	-218	32	326	-72	-218	36	4	
Payroll Control	104	0	-88	16	107	0	-88	19	3	
Payments	609	-87	-457	65	597	-82	-457	58	-8	
Pensions	1,728	-1,639	-58	31	1,707	-1,618	-58	31	0	
Audit Fees	331	-101	4	235	326	-101	4	230	-5	
Bank Charges	64	0	1	65	52	0	1	53	-12	Forecast underspend on Bank Charges
Wales Pension Partnership	89	-89	0	-0	66	-66	0	-0	-0	
Miscellaneous Services	8,111	-131	1,709	9,689	7,556	-20	1,709	9,245	-444	£432k underspend on pre LGR pension costs. £12k underspend on Subscriptions
Financial Services Total	14,147	-3,055	-852	10,240	13,474	-2,818	-852	9,805	-436	
Revenues & Financial Compliance										
Procurement	643	-37	-551	55	581	-37	-551	-7	-62	Underspend on staff, due to 2 being on maternity leave, one on reduced hours and 2 vacancies during the first quarter of the year.
Audit	518	-21	-463	34	526	-37	-463	26	-8	
Risk Management	166	-1	-149	17	166	-0	-149	17	0	
Business Support Unit	150	0	-81	69	128	0	-81	47	-22	Vacant post during year. Will not be filled in 2023/24.
Corporate Services Training	55	0	-59	-4	25	0	-59	-35	-30	Underspend based upon current demand for courses.
Local Taxation	1,040	-776	528	791	1,156	-725	528	959	168	Large overspend on postage costs following price increases in recent years of £115k, along with a reduction in anticipated income received from recovering court costs based on 2022/23 figures.
Council Tax Reduction Scheme	18,385	0	78	18,463	18,238	0	78	18,316	-146	Underspend anticipated based on current levels of demand.
Rent Allowances	34,823	-35,040	1,495	1,278	34,409	-34,599	1,495	1,305	27	Projection based on 2022/23 claims.
Rates Relief	251	0	5	256	155	0	5	160	-96	Low take-up anticipated based on current demand.
Housing Benefits Admin	1,766	-755	-877	134	1,347	-661	-877	-191	-325	Net shortfall on grants income receivable of £94k compared with budget, offset by 10.5FTE current vacant posts within the section due to difficulties with recruitment.
Revenues	1,089	-148	-755	186	1,235	-175	-755	304	118	£116k overspend on bank charges due to significant increase in the number of card payments in recent years.
Revenues & Financial Compliance Total	58,888	-36,779	-830	21,279	57,967	-36,234	-830	20,903	-376	
TOTAL FOR CORPORATE PERFORMANCE & RESOURCES	133,778	-75,422	-6,197	52,160	135,218	-78,055	-6,197	50,966	-1,194	

APPENDIX C

CHARGING DIGEST - Chief Executive department

2022/23 Actual £	2023/24 Budget £	2024/25 Budget £	Business Unit	Service Provided	2023/24 Charge Levied £	2024/25 Proposed Charge £	Comments	
			Admin and Law					
275,000	287,000	298,480	Land Charges	Search Fees	130.80	130.80	No change to charges to take place during 2024/25. A new Land Charges system will be implemented during 2024/25 with a view to potentially increasing charges within statutory restrictions at that point.	
				Any additional enquiries (dependent on enquiry)	12.00	12.00		
				Any additional enquiries (dependent on enquiry)	24.00	24.00		
			Regeneration, Policy and Property					
3,127	2,640	2,746	Statutory Services Electoral Services	Electoral Registration				
				Purchase of the Full/Open or list of overseas electors Register in printed format	10.00 + 5.00 per 1,000 entries (or part of 1,000 entries)	10.00 + 5.00 per 1,000 entries (or part of 1,000 entries)	Statutory fee	
				Purchase the Full/Open or list of overseas electors Register in data format	20.00 plus 1.50 each for 1,000 entries (or part of 1,000 entries)	20.00 plus 1.50 each for 1,000 entries (or part of 1,000 entries)	Statutory fee	
				Marked copy of the Register	10.00 + 2.00 per 1,000 names	10.00 + 2.00 per 1,000 names	Statutory fee	
				Copies of election spending return and declaration	0.20 per side	0.20 per side	Statutory fee	
487,810	406,650	406,650	Registrars	Marriage				
				Notice of Marriage per notice valid for 12 months	35.00	35.00	Statutory fee	
				Superintendent Registrar & Registrar fee	160.00 - 575.00	170.00 - 605.00	Dependent on date and venue. Increasing prices more than this is likely to price our services out of the market.	
				Payable to registrar present at ceremony:				
				In the Register office	46.00	46.00	Statutory fee	
				In a registered building	86.00	86.00	Statutory fee	
				Conversion from Civil Partnership to marriage	45.00	45.00	Statutory fee	
Tudalen 39								

APPENDIX C

CHARGING DIGEST - Chief Executive department

2022/23 Actual £	2023/24 Budget £	2024/25 Budget £	Business Unit	Service Provided	2023/24 Charge Levied £	2024/25 Proposed Charge £	Comments
Tudalen 40				Civil Partnership			
				For the recording of each notice of civil partnership	35.00	35.00	Statutory fee
				For the attendance of the civil partnership registrar at the civil partnership registration	46.00	46.00	Statutory fee
				Superintendent Registrar & Registrar fee	160.00 - 575.00	170.00 - 605.00	Dependent on date and venue. Increasing prices more than this is likely to price our services out of the market.
				Site visit inspection of venue for statutory or non-statutory events	100.00	100.00	External venue
				Registrar attendance at rehearsal	75.00	75.00	External venue
				Registrar attendance at promotional event	35.00 per hour + travel	50.00 per hour + travel	2 registrars attendance.
				Certificates for special purposes :			Factories Act, Education Act, Social Security (Administration) Act, Savings Banks Act
				General Search	18.00	18.00	Statutory fee
				Specific search in indexes	15.00	15.00	per hour
				Admin proof of life verification	10.00	10.00	Foreign pension holders
				Custom postage request	10.00	10.00	Requires visit to post office
				Civil Funeral	350.00	365.00	Plan ceremony and officiate - crematorium, cemetery, chapel of rest - Weekdays only.
				Corrections - consideration by local Superintendent Registrar	75.00	75.00	Statutory fee
				Foreign divorce - consideration by local Superintendent Registrar	50.00	50.00	Statutory fee
				Space 17 Birth registration amendments (changing the baby's name after registration)	40.00	40.00	Statutory fee
				Triage of waiver request on behalf of the General Register Office	20.00	20.00	Statutory fee
				Triage of complex correction request on behalf of the General Register Office	32.00	32.00	Statutory fee
				Triage of foreign divorce consideration on behalf of the General Register Office	28.00	28.00	Statutory fee

APPENDIX C

CHARGING DIGEST - Chief Executive department

2022/23 Actual £	2023/24 Budget £	2024/25 Budget £	Business Unit	Service Provided	2023/24 Charge Levied £	2024/25 Proposed Charge £	Comments
				Memorial (Celebration of Life) Service	575.00	170.00 - 605.00	Wider range of options now offered - Plan ceremony and officiate - Parc Myrddin or External venue
				Certificates: Birth, Death, Marriage, Civil Partnership			
				Full or extract Certificate applied for at the time of the registration	11.00	11.00	Statutory fee
				Full or extract Certificate applied for at any other time	11.00	11.00	Statutory fee
				Express Service for Certificates	35.00	35.00	Statutory fee
				Non-Statutory Ceremonies			
				Register Office	160.00 - 575.00	170.00 - 605.00	Dependent on date and venue. Increasing prices more than this is likely to price our services out of the market.
				Licensed Venue	160.00 - 575.00	170.00 - 605.00	Dependent on date and venue. Increasing prices more than this is likely to price our services out of the market.
				Private Citizenship Ceremony	90.00	100.00	per adult, £25 per child
				Licence for Venue for Marriages and Civil Partnerships	1,405.00 - 2,325.00	1,475.00 - 2,450.00	3 year licence or 5 year licence. Increasing prices more than this is likely to price our services out of the market.
				Bespoke Ceremonies	Price on application	Price on application	Priced as ceremony but with additional charges for site inspection, risk assessment and travel as appropriate.
Tudalen 41			Property & Regeneration	Lease or rental of corporate property			Dependent on market valuations at time of lease commencement or rent reviews. Not appropriate to rise with inflation as rent will vary with market conditions.

APPENDIX C

CHARGING DIGEST - Corporate Services

2022/23 Actual £	2023/24 Budget £	2024/25 Budget £	Business Unit	Service Provided	2023/24 Charge Levied £	2024/25 Proposed Charge £	Comments
277,342	383,787	383,787	Revenue Services	Costs imposed where Magistrates' Court recovery proceedings are instigated in respect of unpaid Council Tax or Non-Domestic (Business) Rates	62.00	62.00 (subject to in-year review - please see Comments)	As a result of a High Court case in 2015 local authorities are not in a position to simply periodically increase / vary costs e.g. in line with inflation. Instead a calculation of the (estimated) actual costs involved in taking action is necessary, with any change then agreed with the Court. Based on the current operational cost of the work relating to recovery proceedings, the existing level of recovery costs are (Summons £32, Liability Order £30, Total £62) - We are currently in the process of reviewing these costs but any change will need to be approved by full council and agreed with the court. This is unlikely to take place until sometime during 2024/25. The proposed level of costs will therefore remain slightly below the upper allowable limit invoked by Welsh Government of £70.

**PWYLLGOR CRAFFU PERFFORMIAD AC
ADNODDAU CORFFORAETHOL
31^{ain} IONAWR 2024**

**Adroddiad Monitro Cyllideb
Cyfalaf a Refeniw 2023/24**

GOFYNNIR I'R PWYLLGOR CRAFFU:

- Derbyn yr Adroddiad Monitro Cyllideb Corfforaethol yr Awdurdod, Adroddiadau adrannol y Prif Weithredwr a'r Gwasanaethau Corfforaethol a'r Adroddiad Monitro Arbedion ac yn ystyried y sefyllfa cyllidebol.

Y Rhesymau:

- I ddatgan sefyllfa bresennol y gyllideb i'r Pwyllgor ar 31^{ain} Hydref 2023, ynglyn â 2023/24.

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

- Cyng. Darren Price (Arweinydd)
- Cyng. Alun Lenny (Adnoddau)
- Cyng. Phillip Hughes (Trefniadaeth a'r Gweithlu)

<p>Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol</p> <p>Enw Gyfarwyddwr y Gwasanaeth: Chris Moore</p> <p>Awdur yr adroddiad: Chris Moore</p>	<p>Swydd:</p> <p>Cyfarwyddwr y Gwasanaethau Corfforaethol</p>	<p>Rhif Ffôn / Cyfeiriad E-bost:</p> <p>01267 224120 CMoore@sirgar.gov.uk</p>
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EXECUTIVE SUMMARY

CORPORATE PERFORMANCE & RESOURCES SCRUTINY COMMITTEE 31st JANUARY 2024

Revenue & Capital Budget Monitoring Report 2023/24

The Financial Monitoring report is presented as follows:

Revenue Budgets

Appendix A – Authority Corporate Budget Monitoring Report

The revenue budget monitoring reports as at 31st October 2023 are attached and indicate that:

COUNCIL FUND REVENUE ACCOUNT (Appendix A)

Overall, the monitoring report forecasts an overspend for the year at departmental level of £10,900k, with a forecast overspend on the Authority's net revenue budget of £5,312k.

At a high level this is due to a combination of:

- Increased expenditure in adult social care to meet pent up demand as recruitment pressures have begun to ease a little across the sector.
- persistent overspends in service areas where budget reductions have been implemented, but challenges in delivery have made it impossible to keep pace with the level of savings required. Monitoring indicates £3.3m of savings undelivered for 2023/24 and a further £0.6m carried forward from the previous year.
- Significant overspends in Childrens Services, driven by increased levels of demand combined with complexity, not seen before the pandemic. There has been a higher number an increased cost of residential placements, increased agency costs and increased support for children with disabilities.

The capital financing underspend forecast at £3m is due to scheme delays, a reduced need to borrow and increased interest earned on positive cash balances, partially offset by in year direct revenue funding for a small number of projects as set out in the capital programme update.

The April NJC pay award has now finally been settled, with all staff having received backpay in full. The cost of this has now been built into departmental projections, with the £1.5m contingency budget shown explicitly as a partial offset.

The full year forecast reflects the impact which includes known financial positions at the point of preparation. As such the forecast does not contain the full impact of any additional in-year and grant adjustments. In line with our existing policies, forecast departmental overspends are met out of departmental reserves, where available.

Appendix B

Chief Executive and Corporate Services detailed variances for information purposes only.

Capital Budgets

Corporate Capital Programme Monitoring 2023/24

The current capital programme is based on information available as at the end of October 2023.

Appendix C shows a forecasted net spend of £89,434k compared with a working net budget of £142,641k, giving a -£53,207k variance (-£48,173k General Fund and -£5,034k HRA).

The net budget includes the original H.R.A. and General Fund capital programmes approved by Council on 1st March and slippage from 2022/23. Some of the budgets have also been amended to account for differences in actual grant allocations compared with the anticipated allocations at the time the programme was approved, and new grant awards received during the year to date.

It should be noted that following a department reorganisation, the property services projects which have previously been reported as part of the Department of Place and Infrastructure are now reported as part of the Chief Executive Department portfolio.

Appendix D

Details the main variances within each department.

New Projects and virements to note and approve for the current year:

Leisure:

Projects supported from funds from the Development Fund
£195k for Pembrey Country Park Electrical Infrastructure Upgrade
£150k for Pendine Miniature Golf Course.

There is an additional £5k for Burry Port Car Park Development funded from Revenue.

Place and Infrastructure:

New grant awarded from the WG for Flood Defence Works of £16k for Pen Y Fan, Llanelli.

Approved £45k to be slipped from the 2023-24 decarbonisation budget, to match fund the 2024-25 grant relating to installation of Heat Source Pumps in schools.

Education:

A virement of £25k from the deferred grant funding for the provision of feminine hygiene hardware to the capital maintenance – education budget for eligible works undertaken at Ysgol Gyfun Emlyn (which sits under the Chief Executive budget).

Chief Executive:

A virement of £25k from Provision of Feminine Hygiene Hardware (from Education) to the Capital maintenance budget for NCE School works.

Appendix E

Details a full list of Chief Executive and Regeneration schemes, respectively. There are no Corporate Services schemes.

Savings Report

Appendix F

The Savings Monitoring Report for 2023/24. This includes detail on the 2022/23 savings proposals that were undelivered as at 31st March 2023.

DETAILED REPORT ATTACHED?

YES – A list of the main variances is attached to this report.

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: **Chris Moore** Director of Corporate 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	NONE

3. Finance Revenue

Overall, the Authority is forecasting an overspend of £5,312k at this point in time. Corporate Performance & Resources Services are projecting to be under the approved budget by £1,194k.

Capital

The capital programme shows a variance of -£53,207k against the 2023/24 approved budget.

Savings Report

The expectation is that at year end £886k of Managerial savings against a target of £1,046k are forecast to be delivered. There were no Policy savings put forward.

7. Physical Assets

The expenditure on the capital programme will result in the addition of new assets or enhancement to existing assets on the authority's asset register.

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE / CONSULTED?
YES

(Include any observations here)

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 Budget	Corporate Services Department, County Hall, Carmarthen
2023-28 Capital Programme	Online via corporate website – Minutes of County Council Meeting 1 st March 2023.

Mae'r dudalen hon yn wag yn fwriadol

REPORT OF THE DIRECTOR OF CORPORATE SERVICES
CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024
COUNCIL'S BUDGET MONITORING REPORT 2023/24

Director and Designation	Author & Designation	Telephone No	Directorate
C Moore, Director of Corporate Services	R Hemingway, Head of Financial Services	01267 224886	Corporate Services

Table 1

Forecasted for year to 31st March 2024

Department	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Aug 2023 Forecasted Variance for Year £'000
	Controllable Expenditure	Controllable Income	Net Non Controllable	Total Net	Controllable Expenditure	Controllable Income	Net Non Controllable	Total Net		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Chief Executive	60,744	-35,589	-4,515	20,640	63,777	-39,003	-4,515	20,258	-382	-114
Communities	210,644	-93,712	14,233	131,166	215,189	-94,607	14,233	134,815	3,649	2,321
Corporate Services	73,035	-39,833	-1,681	31,520	71,441	-39,052	-1,681	30,708	-812	-920
Education & Children (incl. Schools)	222,802	-44,998	25,009	202,813	244,860	-60,286	25,009	209,583	6,770	6,546
Place and Infrastructure	100,434	-44,010	12,447	68,871	108,981	-50,883	12,447	70,545	1,675	898
Departmental Expenditure	667,659	-258,142	45,493	455,010	704,247	-283,831	45,493	465,910	10,900	8,730
Corporate Contingency				1,510				0	-1,510	0
Capital Charges/Interest/Corporate				-19,513				-22,513	-3,000	-2,250
Levies and Contributions:										
Brecon Beacons National Park				152				152	0	0
Mid & West Wales Fire & Rescue Authority				13,014				13,014	0	0
West Wales Corporate Joint Committee				168				168	0	0
Net Expenditure				450,341				456,731	6,390	6,480
Transfers to/from Departmental Reserves										
- Chief Executive				0				191	191	56
- Communities				0				0	0	0
- Corporate Services				0				406	406	460
- Education & Children (incl Schools)				0				0	0	0
- Place and Infrastructure				0				-1,675	-1,675	-898
Net Budget				450,341				455,654	5,312	6,098

Chief Executive Department
Budget Monitoring - as at 31st October 2023

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Chief Executive	951	-4	-845	102	739	0	-845	-106	-209	-141
People Management	4,759	-1,714	-2,619	426	5,687	-2,360	-2,619	709	282	257
Admin and Law	5,106	-884	711	4,933	4,974	-858	711	4,827	-106	-67
Marketing & Media	2,743	-604	-1,432	707	2,417	-541	-1,432	444	-263	-203
Statutory Services	1,532	-410	281	1,404	1,763	-612	281	1,432	29	49
Regeneration, Digital & Policy	45,651	-31,972	-612	13,067	48,197	-34,633	-612	12,953	-115	-9
GRAND TOTAL	60,744	-35,589	-4,515	20,640	63,777	-39,003	-4,515	20,258	-382	-114

Chief Executive Department - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Chief Executive							
Chief Executive Business Support Unit	709	-4	502	0	-204	Underspend on salaries due to one staff member being on maternity leave, three vacant posts, no commitment due to recruitment freeze.	-111
Other variances					-5		-30
People Management							
TIC Team	246	-101	304	-61	99	Additional support for office downsizing, funding to be confirmed (£64k). Income efficiency target (£35k) not likely to be delivered in 2023/24.	95
Business & Projects Support	262	0	236	0	-26	£18k salary efficiency target not met. Offset by savings on Supplies and Services and staff member working reduced hours.	-18
Payroll	913	-386	1,029	-404	97	Salary efficiency targets not met (£80k) along with £41k in year overspend on agency staff to deal with volume of recruitment work being undertaken. This is partially offset by vacant posts during the year.	72
People Services – HR	913	-291	1,012	-276	114	£108k salary efficiency savings not met. £75k temp unfunded posts to implement new recruitment system. This is partially offset by vacant posts during the year.	94
Organisational Development	507	-42	703	-211	27	Income efficiency target not achieved	31
DBS Checks	143	0	121	-2	-25	Underspend based on this and past year's expected volume of checks required.	-25
Other variances					-4		9
Admin and Law							
Democratic Services	2,237	-304	2,161	-331	-103	Underspend on members pay & allowances (£76k) along with additional income from the HRA (£27k)	-101
Democratic Services - Support	550	-8	514	-36	-63	Underspend on supplies & services (£16k), short term vacant posts during the year (£42k), additional income for work undertaken by Partneriaeth (£5k)	-35
Civic Ceremonial	28	0	14	0	-14	Underspend on members hospitality/expenses, & transport cost savings following reducing from two vehicles to one.	-12
Land Charges	105	-287	124	-197	109	Shortfall in income due to low demand for searches due to downturn in the housing market	105
Central Mailing	49	0	27	-4	-26	Saving on franking machine leasing costs	-24
Other variances					-9		0
Marketing & Media							
Marketing and Media	790	-69	715	-61	-67	Underspend due to three vacant posts not being filled due to recruitment freeze	-58
Translation	576	-56	481	-56	-95	Underspend on salaries, one staff member on maternity leave, one vacant post that will now be filled in the current financial year, along with smaller underspends on supplies & services	-80
Customer Services Centres	1,267	-380	1,132	-376	-131	Underspend on salaries due to short term vacant posts (£183k), offset by an overspend on set up and configuration of new communications software.	-97
Yr Hwb, Rhydaman a Llanelli	110	-99	90	-48	30	Shortfall in income mainly due to decreased demand for desk space rental	32

Chief Executive Department - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Statutory Services							
Coroners	366	0	437	0	71	Large increase in number of cases being referred to the Coroner in general. Corresponding increase in volume and cost of toxicology and histology reports. Post mortem fees have doubled in the last 2 years due to increase in rates charged. Undertakers fees increased by 11.5%, Mortuary Fees increased by 5%.	99
Electoral Services - Staff	281	0	239	0	-43	Vacant post. Not being filled in current year.	-50
Regeneration, Digital & Policy							
Regeneration Management	311	0	347	0	36	Overspend due to cessation of staff time that we are able to charge to grants	38
Information Technology	5,786	-970	5,703	-963	-76	6 vacant posts which will not now be filled as a result of the recruitment freeze.	-23
Welsh Language	141	-11	117	-11	-24	Part year vacant post not currently being filled due to recruitment freeze	-9
Property	1,016	-95	916	-10	-15	Shortfall of £85k in external income offset by £66k staffing savings due to 3 vacant posts in early part of the year. 1 post currently vacant not currently being replaced due to recruitment freeze. £34k underspend on non salary budgets.	-19
Commercial Properties	54	-486	126	-574	-16	Reasonably high occupancy rates currently	-5
Provision Markets	719	-584	660	-491	34	Low occupancy rates has resulted in a shortfall of £93k in anticipated income. This is offset by savings made in premises related costs.	40
Administrative Buildings	4,647	-888	4,426	-728	-61	£42k savings on employee costs due to vacancies and recruitment freeze. £19k savings estimated on premises related running costs.	-4
Industrial Premises	613	-1,638	857	-1,947	-66	Relatively High occupancy rates currently	-67
The Beacon	252	-151	253	-138	13	Decrease in demand for office space.	-4
Livestock Markets	65	-120	20	-38	36	Potential shortfall in income at Llandoverly and Carmarthen Marts pending receipt of turnover figures from the respective operators	27
Property Division Business Unit	136	0	0	0	-136	Vacant HOS post awaiting further review of new divisional structure	-136
Property Maintenance Operational	12,151	-12,507	15,881	-16,019	217	£18k deficit due to pay award. Following Housing Disaggregation a review of recharges needs to be undertaken to take account of revised operating costs.	194
Property Design - Business Unit	2,634	-3,010	2,853	-3,317	-87	Review of projected income based on current vacancies	-55
Other variances					29		14
Grand Total					-382		-114

Department for Communities
Budget Monitoring - as at 31st October 2023

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Adult Services										
Older People	76,961	-26,538	3,701	54,125	78,272	-26,235	3,701	55,738	1,614	675
Physical Disabilities	9,123	-1,910	276	7,489	9,282	-2,381	276	7,176	-313	-370
Learning Disabilities	48,410	-11,960	1,475	37,925	49,171	-11,782	1,475	38,864	939	811
Mental Health	12,043	-4,443	234	7,834	12,806	-4,371	234	8,669	835	665
Support	11,260	-7,631	1,114	4,743	11,130	-7,466	1,114	4,778	35	246
Homes & Safer Communities										
Public Protection	3,651	-1,417	532	2,766	3,510	-1,263	532	2,779	13	110
Council Fund Housing	28,678	-28,288	521	910	30,695	-30,268	521	947	37	-61
Leisure & Recreation										
Leisure & Recreation	20,519	-11,525	6,380	15,374	20,324	-10,841	6,380	15,863	489	244
GRAND TOTAL	210,644	-93,712	14,233	131,166	215,189	-94,607	14,233	134,815	3,649	2,321

Department for Communities - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Adult Services							
Older People							
Older People - Residential Care Homes (Local Authority Provision)	10,354	-4,554	11,140	-4,389	951	Staff agency costs remain high due to a mixture of general higher dependency of residents, vacancies and sickness. In the coming months we will be developing an in-house agency pilot for the Llanelli based homes that will deliver a more flexible pool of casual staff. It is hoped that this will be rolled out in April 2024 with a view, if successful, of deploying across the County in the summer of 2024. We will continue to monitor sickness closely and consistently as well as being more efficient in the way we recruit.	472
Older People - Residential Care Homes	31,792	-14,062	32,061	-14,062	269	Numbers on waiting lists are reducing as assessed needs are being met in alternative ways. However care packages are increasing as capacity develops in care sector.	249
Older People - Direct Payments	1,349	-313	1,508	-313	159	Financial pressures from previous years remain.	204
Older People - Private Home Care	10,038	-2,638	10,868	-2,638	829	Numbers on waiting lists are reducing as assessed needs are being met in alternative ways. However care packages are increasing as capacity develops in care sector.	981
Older People - Reablement	2,225	-527	1,974	-600	-324	Staffing vacancies	-386
Older People - Private Day Services	247	0	145	0	-103	Provision of day services is reduced compared to pre-pandemic levels.	-103
Older People - Other variances					-167		-743
Physical Disabilities							
Phys Dis - Residential Care Homes	1,652	-314	1,367	-314	-285	Demand led - projection based on care packages as at October 2023	-261
Phys Dis - Group Homes/Supported Living	1,520	-174	1,252	-174	-268	Demand led - projection based on care packages as at October 2023	-320
Phys Dis - Direct Payments	3,164	-603	3,531	-603	367	Financial pressures from previous years remain.	212
Phys Dis - Other variances					-127		-0

Department for Communities - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Learning Disabilities							
Learn Dis - Employment & Training	2,195	-410	1,691	-209	-303	Provision of LD day services is reduced compared to pre-pandemic levels.	-283
Learn Dis - Residential Care Homes	13,970	-4,524	14,358	-4,524	388	Progress being made in the right sizing of individual packages and in developing alternatives to residential care. This is mitigated by an increase in demand and complexity in those with a learning disability or mental health issue. In the meantime, high cost independent providers are being commissioned and the current budget allocation does not reflect this demand.	515
Learn Dis - Group Homes/Supported Living	11,515	-2,295	12,829	-2,295	1,314	Progress being made in the right sizing of individual packages and in developing alternatives to residential care. This is mitigated by an increase in demand and complexity in those with a learning disability or mental health issue. In the meantime, high cost independent providers are being commissioned and the current budget allocation does not reflect this demand.	808
Learn Dis - Community Support	3,568	-162	3,229	-162	-338	Demand led - projection based on care packages as at October 2023	-102
Learn Dis - Adult Placement/Shared Lives	3,095	-2,104	3,136	-2,341	-195	Provision of respite care is reduced compared to pre-pandemic levels and part-year vacant posts	-69
Learn Dis - Other variances					72		-59
Mental Health							
M Health - Residential Care Homes	6,986	-3,394	7,468	-3,394	482	Progress being made in the right sizing of individual packages and in developing alternatives to residential care. This is mitigated by an increase in demand and complexity in those with a learning disability or mental health issue. In the meantime, high cost independent providers are being commissioned and the current budget allocation does not reflect this demand.	390
M Health - Group Homes/Supported Living	1,707	-446	2,249	-446	541	Progress being made in the right sizing of individual packages and in developing alternatives to residential care. This is mitigated by an increase in demand and complexity in those with a learning disability or mental health issue. In the meantime, high cost independent providers are being commissioned and the current budget allocation does not reflect this demand.	531
M Health - Other variances					-188		-256
Support							
Other Variances - Support	11,260	-7,631	11,130	-7,466	35		246

Department for Communities - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Homes & Safer Communities							
Public Protection							
PP Business Support unit	163	0	143	0	-20	Underspend on salaries - Staff Vacancy	-23
Noise Control	230	0	196	-0	-34	Underspend on salaries - Staff Vacancy	-21
Animal Welfare	90	-87	82	-44	36	Under achievement of income	39
Licensing	378	-358	373	-303	50	Short fall in income - income target increases year on year, but the number of licensable businesses remains largely the same.	48
Safeguarding, Licensing & Financial Investigation	97	0	45	0	-52	Underspend on salaries	-53
Fair Trading	236	-68	230	-4	58	Underachievement of an unrealistic income target. Income dependent on criminal case progressing through the court system and the award of fees and costs recoverable.	73
Financial Investigator	126	-527	185	-567	20	Shortfall in salary budget	54
Other Variances					-45		-6
Council Fund Housing							
Independent Living and Affordable Homes	124	-45	131	-79	-27	Underspend on salaries due to grant funding and underspend on Supplies & Services	-0
Home Improvement (Non HRA)	661	-284	693	-376	-61	Underspend on salaries - Staff vacancy	-3
Penybryn Traveller Site	188	-137	205	-130	24	Under achievement of Income	9
Non HRA Re-Housing (Inc Chr)	177	0	138	0	-39	Underspend on salaries - Staff vacancy	-12
Social Lettings Agency	887	-879	825	-653	164	Reduction in forecast income. Mainly commission to retain landlords in the scheme.	0
Other variances					-24		-55
Leisure & Recreation							
Millennium Coastal Park	334	-94	334	-83	11	Forecast shortfall in income for Parking Fees & Season Tickets	-5
Burry Port Harbour	24	-143	37	-127	29	Legal / Mtce costs relating to Burry Port Marina not budgeted £14k plus forecast shortfall in income for Parking Fees	26
Pendine Outdoor Education Centre	525	-375	375	-197	28	Forecast shortfall in income for Board & Accommodation to budget with smaller group bookings	51
Pembrey Beach Kiosk	0	-80	0	-46	34	Forecast shortfall in income from Beach Kiosk Sales due mainly to the bad summer weather over school holidays	34
Cardarthen Leisure Centre	1,955	-1,674	1,965	-1,644	40	Pay validation £30k plus forecast income shortfall of £10k	-28
Landoverly Swimming Pool	478	-212	497	-185	47	Pay validation plus forecast income shortfall	34
Gwendraeth Sports Centre	0	0	-43	0	-43	Accrual for NNDR no longer required	-43
Actif Communities	384	-39	356	-41	-30	In year vacancy	-25
Actif health, fitness and dryside	242	-156	206	-109	11	Slight shortfall on higher income target set	18

Department for Communities - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Llanelli Leisure Centre	1,567	-1,075	1,597	-1,043	63	Pay validation £26k plus forecast income shortfall linked to sports hall booking cancellations due to roof leaks	40
Outdoor Recreation - Staffing costs	287	0	348	0	61	Forecast overspend on Employees due to shortfall of validation £20k plus long term sickness cover	-18
Pembrey Country Park	1,144	-1,352	1,139	-1,392	-44	Forecast to overachieve budgeted income for Admission and Season Tickets however lost over £40k income due to Wi-Fi issues, £72K essential expenditure on campsite works and alternative Wi-Fi solution	-37
Pembrey Country Park Restaurant	651	-524	712	-546	40	Pay validation, price of food increase, ambitious income setting targets, and loss of income due to Wi-Fi issues affecting position at mid-year point with aim to recover by year-end	18
Carmarthen Library	581	-32	584	-17	19	Pay validation £12k plus utilities	3
Llanelli Library	530	-32	580	-19	63	Forecast overspend on Employees - in part Pay validation, utilities £14k, income shortfall £13k; offset with vacancies in Libraries general	9
Community Libraries	275	-7	261	-6	-12	In year vacancies	-25
Libraries General	1,258	-1	1,180	-1	-78	In year vacancies	-3
Carmarthen Museum, Abergwili.	198	-31	159	-35	-43	In year vacancies	-8
Museums General	412	-1	438	-0	26	Unable to achieve vacancy factor	8
Laugharne Boathouse	158	-129	163	-90	43	Forecast to not fully achieve income budgeted due to weather & limitations of staffing structure. Staff capacity stretched through the opening of MOLS and the restructuring period, which is now concluded.	21
Lyric Theatre	622	-445	617	-399	42	Predicted shortfall in income to budget, offset by other theatres income (managed as one overall target)	46
Ammanford Miners Theatre	86	-17	82	-25	-12	Predicted to over achieve income to budget	-6
Entertainment Centres General	585	-98	616	-142	-13	In year vacancies	-9
Attractor - Hostel	687	-656	673	-396	247	Budget set at steady state year and occupation. Current forecast includes income shortfall as we build to expected room occupation rates; circa £40k shortfall in parking income (pending barrier / enforcement); £80k income shortfall with Adventure Golf opening 2024. Forecast also includes a £12k pay validation shortfall along with £42k 'one off' set up costs.	211
Attractor - Externals	5	-65	5	-42	23	Forecast shortfall in income for Parking Fees	19
Leisure Management	398	-4	341	-4	-57	In year vacancies	-44
Other Variances					-4		-44
Grand Total					3,649		2,321

Corporate Services Department
Budget Monitoring - as at 31st October 2023

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Financial Services	14,147	-3,055	-852	10,240	13,474	-2,818	-852	9,805	-436	-429
Revenues & Financial Compliance	58,888	-36,779	-830	21,279	57,967	-36,234	-830	20,903	-376	-491
GRAND TOTAL	73,035	-39,833	-1,681	31,520	71,441	-39,052	-1,681	30,708	-812	-920

Corporate Services Department - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Financial Services							
Accountancy	1,942	-510	1,940	-476	32	£35k overall shortfall on income targets consisting of a £22k shortfall on deputyship income and £13k of other smaller income shortfalls. £29k net underspend on vacant posts during the year; £26k net overspend on supplies and services.	52
Bank Charges	64	0	52	0	-12	Forecast underspend on Bank Charges	-25
Miscellaneous Services	8,111	-131	7,556	-20	-444	£432k underspend on pre LGR pension costs. £12k underspend on Subscriptions	-442
Other variances					-12		-14
Revenues & Financial Compliance							
Procurement	643	-37	581	-37	-62	Underspend on staff, due to 2 being on maternity leave, one on reduced hours and 2 vacancies during the first quarter of the year.	-62
Business Support Unit	150	0	128	0	-22	Vacant post during year. Will not be filled in 2023/24.	-11
Corporate Services Training	55	0	25	0	-30	Underspend based upon current demand for courses.	-30
Local Taxation	1,040	-776	1,156	-725	168	Large overspend on postage costs following price increases in recent years of £115k, along with a reduction in anticipated income received from recovering court costs based on 2022/23 figures.	147
Council Tax Reduction Scheme	18,385	0	18,238	0	-146	Underspend anticipated based on current levels of demand.	-225
Rent Allowances	34,823	-35,040	34,409	-34,599	27	Projection based on 2022/23 claims.	27
Rates Relief	251	0	155	0	-96	Low take-up anticipated based on current demand.	-97
Housing Benefits Admin	1,766	-755	1,347	-661	-325	Net shortfall on grants income receivable of £94k compared with budget, offset by 10.5FTE current vacant posts within the section due to difficulties with recruitment.	-312
Revenues	1,089	-148	1,235	-175	118	£116k overspend on bank charges due to significant increase in the number of card payments in recent years.	92
Other variances					-7		-19
Grand Total					-812		-920

Department for Education & Children
Budget Monitoring - as at 31st October 2023

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Schools Delegated Budgets	155,160	-18,492	0	136,668	163,945	-18,492	0	145,453	8,785	8,513
Transfer from Reserves				0		-8,785		-8,785	-8,785	-8,513
Director & Strategic Management	1,690	0	-109	1,581	1,349	0	-109	1,240	-342	-395
Education Services Division	15,766	-4,704	20,122	31,184	17,425	-6,362	20,122	31,186	2	20
Access to Education	12,359	-7,954	1,403	5,808	13,747	-8,609	1,403	6,542	734	1,145
Strategy & Learner Support	6,608	-3,972	828	3,464	6,762	-4,253	828	3,336	-127	-27
Children's Services	31,218	-9,875	2,764	24,108	41,632	-13,784	2,764	30,612	6,504	5,804
TOTAL excluding schools	67,642	-26,506	25,009	66,145	80,915	-33,008	25,009	72,916	6,770	6,546
GRAND TOTAL	222,802	-44,998	25,009	202,813	244,860	-60,286	25,009	209,583	6,770	6,546

Department for Education & Children - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure	Income	Expenditure	Income			
	£'000	£'000	£'000	£'000			£'000
Director & Strategic Management							
Director & Management Team	1,282	0	999	0	-283	Growth budget to be allocated as the relevant recruitment and reviews progress.	-335
Business Support	408	0	350	0	-58	Any temporary in year underspend will support other service pressures. Part year vacant posts pending review of service needs once relocated.	-60
Education Services Division							
Early Years Non-Maintained 3 year old Provision	941	-542	633	-542	-308	WG are currently providing grant for non maintained settings, releasing core budget on a temporary basis to support pressures in other services	-308
School Improvement	777	0	1,163	-340	46	Partneriaeth RCG Income less than anticipated for 2023/24	54
Additional Learning Needs	4,756	-2,525	4,822	-2,542	49	£272k pressure in relation to Out of County placements, partially offset by part year vacant posts and utilisation of grant income	114
Education Other Than At School (EOTAS)	5,099	-565	5,475	-774	167	Increased agency costs due to staff absences across the 4 settings	109
Music Services for Schools	348	0	1,400	-1,022	30	Increased staff cover costs relating to long term absence	20
Other variances					17		31
Access to Education							
School Admissions	485	0	401	0	-84	Part year vacant posts currently being recruited to	-96
School Modernisation	144	0	311	-46	121	Ongoing costs for closed school premises following school reorganisations	100
School Meals & Primary Free Breakfast Services	11,729	-7,954	13,034	-8,563	696	Updated costs & income levels for primary school meals has reduced the forecast overspend to £468k which is down to the meal price being insufficient to cover costs per meal, paid and UPFSM funded. Primary breakfast contributions for care element shortfall £96k & increased costs of food & labour £132k	1,140
Strategy & Learner Support							
Youth Support Service & Participation	2,311	-1,294	2,311	-1,368	-74	Part year vacant posts and using core staff to utilise grant income	-29
Data & Education Systems	1,079	-30	1,030	-30	-49	Part year vacant posts and using core staff to utilise grant income	-7
Other variances					-4		9
Children's Services							
Commissioning and Social Work	8,019	-115	9,554	-530	1,119	Increased agency staff costs forecast £962k re additional demand & difficulty recruiting permanent staff - forecast has increased due to extending of agency staff to March 2024 and also 2 additional agency Social Workers. Increased demand for assistance to clients and their families £346k, which again is a further increase compared to August. This is partly offset by additional grant income.	536
Corporate Parenting & Leaving Care	1,035	-91	948	-91	-87	Maximisation of grant income supporting priorities the service had already identified and have staff working on	-77

Department for Education & Children - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Fostering & Other Children Looked After Services	4,843	0	6,120	-139	1,138	Increased costs associated with providing specialist support and fostering placements for young people / children looked after, some with highly complex needs £453k, Special Guardianship Orders (SGO's) £62k, Fostering £762k. This is partly offset by additional WG grant £139k	892
Unaccompanied Asylum Seeker Children (UASC)	0	0	1,603	-1,346	257	Increase in number of Unaccompanied Children resulting in more expensive placement costs in excess of the fixed income received. Additional grant income identified since August return	322
Commissioned Residential Placements (CS)	469	0	3,369	-12	2,889	Several ongoing highly complex placements in 2023/24	2,770
Residential Settings	1,421	-361	2,728	-1,444	225	£225k Garreglwyd - agency staff costs forecast due to difficulty recruiting & sickness cover. £514k forecast overspend for new setting Ty Magu / Ross Avenue, which is being offset by £514k WG grant	191
Respite Settings	1,094	0	1,178	0	84	Increased staffing costs £54k re meeting service demand, vacancy / absence cover and impact of increased pay award in excess of budget, increased vehicle costs in relation to additional vehicles needed £20k and also additional premises maintenance costs forecast £10k in relation to essential works needed following outcome of recent playground inspection at Llys Caradog	19
Adoption Services	591	0	1,136	-409	136	Overspend in relation to increased staffing costs, including agency staff and travelling costs re ongoing service demands £73k. Also, additional costs in relation to Inter Agency Adoption fees, Adoption Allowances and Therapy / Counselling costs, again in line with service demands £63k	151
Short Breaks and Direct Payments	657	0	1,880	-184	1,040	Increased demand for Direct Payments with further pressures linked to post covid & lack of commissioned services available £376k. Also increased demand for 1-2-1 support under Short Breaks due to lack of available location based services £664k	1,229
Other Family Services incl Young Carers and ASD	1,023	-643	1,021	-687	-46	Maximisation of grant income, partially offsetting overspends elsewhere within the division	-53
Children's Services Mgt & Support (inc Eclipse)	1,366	-164	1,287	-208	-123	Part year vacant posts recently recruited to	-107
School Safeguarding & Attendance	827	-512	759	-575	-131	Maximisation of grant income, partially offsetting overspends elsewhere within the division	-74
Other Variances					4		6
Grand Total					6,770		6,546

Place and Infrastructure Department
Budget Monitoring - as at 31st October 2023

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000		
Service Improvement and Transformatio	5,031	-4,117	478	1,392	5,250	-4,123	478	1,606	214	-4
Waste & Environmental Services	30,004	-4,926	1,341	26,420	31,368	-5,626	1,341	27,083	664	262
Highways & Transportation	57,865	-31,474	10,247	36,638	65,010	-37,553	10,247	37,704	1,066	802
Place and Sustainability	7,533	-3,493	381	4,422	7,353	-3,582	381	4,152	-269	-162
GRAND TOTAL	100,434	-44,010	12,447	68,871	108,981	-50,883	12,447	70,545	1,675	898

Place and Infrastructure Department - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Service Improvement & Transformation							
Facilities Management - Building Cleaning	4,731	-4,017	4,972	-4,059	199	£180k budget deficit following the pay award	0
Business Support	120	-35	175	-35	55	£48k budget deficit following the pay award	-3
Departmental - Core	117	0	87	0	-30	£25k vacant post not estimated to be filled in this financial year due to recruitment freeze	-1
Other variances					-9		0
Waste & Environmental Services							
Environmental Infrastructure	134	0	99	0	-35	Part-year saving due to Head of Service post being vacant until July 2023	-33
Waste & Environmental Services Unit	-145	0	-312	-0	-167	Net £149k underspend on pay costs due to a realignment review & recruitment freeze.	-86
Environmental Enforcement	566	-19	518	-20	-49	Underspend relates to vacated post, maternity leave and flexible retirement. Future needs are being addressed.	-55
Public Conveniences	230	-9	244	-9	14	Increase in Danfo contract cost over and above validation	3
Cleansing Service	2,660	-103	2,801	-108	135	£53k deficit in pay budgets due to pay award and £100k efficiency not met	-9
Waste Services	21,198	-1,400	22,279	-1,707	775	Delivery of the interim phase of the waste strategy has increased costs due to contingency measures put in place. Outturn includes draw-down from reserves.	571
Green Waste Collection	671	-602	643	-665	-91	£183k pay budget deficit following pay award.	-72
Grounds Maintenance Service and urban parks	3,953	-2,696	4,077	-2,758	62	Increased customer base and £5k budget deficit following pay award	-43
Closed Landfill Sites	292	0	325	0	33	Deficit in pay budget due to pay award	-1
Other variances					-14	Increased electricity costs in both sites.	-13
Highways & Transportation							
Departmental - Transport	41	0	-50	0	-91	Vacant post, management review underway	-41
Departmental Pooled Vehicles	0	0	14	0	14	Under-utilisation of pool vehicles	14
Civil Design	1,308	-1,943	1,262	-1,910	-13	Based on current income projections	0
Transport Strategic Planning	442	0	395	0	-48	Vacant posts during the year	-8
School Transport	13,683	-994	14,863	-1,267	908	Increased transport costs for operators which subsequently escalate the tendered contract prices for the statutory provision of home to school transport. Transport operators are continuing to experience driver shortages, global supply chain shortages for vehicles and parts and a period of very high fuel prices make for a challenging operating environment. £57k deficit budget on Passenger Assistants as a result of the pay award.	664

Place and Infrastructure Department - Budget Monitoring - as at 31st October 2023

Main Variances

CORPORATE PERFORMANCE & RESOURCES SCRUTINY 31st JANUARY 2024

Division	Working Budget		Forecasted		Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Expenditure £'000	Income £'000			
Traffic Management	557	-262	897	-776	-173	Staff vacancies during the year, staff time recharged to grants and net increase in Traffic Regulation orders income	-79
Car Parks	2,268	-3,593	2,064	-3,112	277	Parking income not achieving income targets due to reduced footfall in town centres together with year on year validation applied to budget. Parking fees increase of 5% due to be implemented from March 2024.	357
Nant y Ci Park & Ride	17	-7	36	-7	19	Overspend following the cessation of the service after the start of the financial year due to statutory notice periods.	18
Storm Damage	0	0	-2	302	300	As a result of the recent storms, two sections of the highway suffered support issues with estimated reconstruction costs of £300k; A485 Alltwalis culvert replacement £100k and C2043 Bwlchnewydd road collapse £200k. Awaiting decision from WG on additional funding from Resilient Roads Fund.	0
Road Safety	251	-11	194	0	-47	Staff time recharged to grants	-59
School Crossing Patrols	160	0	129	0	-31	Several posts have become vacant and will not be refilled - in line with the National Safety Criteria to ensure posts exist at locations a patrol is required only.	-34
Highway Lighting	3,096	-1,029	3,203	-1,176	-40	Vacant post estimated to be filled from January 2024	-31
Other variances					-9		1
Place and Sustainability							
Place & Sustainability Unit	585	-18	655	-151	-62	Underspend on supplies & services	-56
Building Control	706	-560	662	-411	104	Shortfall in building reg fee income due to an increase in competitors and the current economic climate. Projection is based on actual income in the first 7 months which may vary as the year progresses	88
Strategic Policy & Placemaking	775	0	741	-0	-34	Underspend on salaries due to maternity leave and vacant post during the year - filled from November 2023	-76
Development Management	1,967	-1,169	1,870	-1,312	-240	£190k underspend on net pay costs due to vacancies within the year & current recruitment freeze; £142k additional planning application income forecast based on actual income received in the first 7 months of the year, this may vary as the year progresses.	-125
Net Zero Carbon Plan	188	0	117	0	-70	Vacant post won't be filled this year due to recruitment freeze, and maternity leave from November 2023	-32
SAB - Sustainable Drainage approval Body Unit	139	-134	138	-110	23	Anticipated income not materialised - Dependent on number of submissions and market buoyancy of development projects	31
Other Variances					10		8
Grand Total					1,675		898

Mae'r dudalen hon yn wag yn fwiadol

Corporate Performance & Resources Scrutiny Report
Budget Monitoring as at 31st October 2023 - Detail Monitoring

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000			
Chief Executive											
Chief Executive-Chief Officer	242	0	-260	-19	237	0	-260	-23	-5		-30
Chief Executive Business Support Unit	709	-4	-585	121	502	0	-585	-83	-204	Underspend on salaries due to one staff member being on maternity leave, three vacant posts, no commitment due to recruitment freeze.	-111
Chief Executive Total	951	-4	-845	102	739	0	-845	-106	-209		-141
People Management											
TIC Team	246	-101	-221	-76	304	-61	-221	23	99	Additional support for office downsizing, funding to be confirmed (£64k). Income efficiency target (£35k) not likely to be delivered in 2023/24.	95
Social Care Workforce Development Programme	725	-446	1	280	831	-552	1	280	-0		0
Practice Placements	69	-67	0	2	86	-84	0	2	-0		-0
Business & Projects Support	262	0	-275	-13	236	0	-275	-39	-26	£18k salary efficiency target not met. Offset by savings on Supplies and Services and staff member working reduced hours.	-18
Payroll	913	-386	-285	241	1,029	-404	-285	339	97	Salary efficiency targets not met (£80k) along with £41k in year overspend on agency staff to deal with volume of recruitment work being undertaken. This is partially offset by vacant posts during the year.	72
People Services – HR	913	-291	-786	-164	1,012	-276	-786	-50	114	£108k salary efficiency savings not met. £75k temp unfunded posts to implement new recruitment system. This is partially offset by vacant posts during the year.	94
Employee Well-being	833	-381	-423	28	834	-386	-423	25	-3		4
Organisational Development	507	-42	-498	-32	703	-211	-498	-5	27	Income efficiency target not achieved	31
Employee Services – HR/Payroll Support	149	0	-132	17	148	0	-132	17	-1		5
School Staff Absence Scheme	0	0	0	0	383	-383	0	0	0		-0
DBS Checks	143	0	0	143	121	-2	0	118	-25	Underspend based on this and past year's expected volume of checks required.	-25
People Management Total	4,759	-1,714	-2,619	426	5,687	-2,360	-2,619	709	282		257
Admin and Law											
Democratic Services	2,237	-304	2,380	4,313	2,161	-331	2,380	4,210	-103	Underspend on members pay & allowances (£76k) along with additional income from the HRA (£27k)	-101
Democratic Services - Support	550	-8	-494	47	514	-36	-494	-16	-63	Underspend on supplies & services (£16k), short term vacant posts during the year (£42k), additional income for work undertaken by Partneriaeth (£5k)	-35
Corporate Management	0	0	296	296	0	0	296	296	0		0
Civic Ceremonial	28	0	21	48	14	0	21	34	-14	Underspend on members hospitality/expenses, & transport cost savings following reducing from two vehicles to one.	-12
Legal Charges	105	-287	20	-163	124	-197	20	-54	109	Shortfall in income due to low demand for searches due to downturn in the housing market	105
Police and Crime Commissioner	0	0	0	0	22	-22	0	0	0		0
Legal Services	2,139	-285	-1,511	342	2,112	-268	-1,511	332	-9		0
Central Mailing	49	0	1	49	27	-4	1	24	-26	Saving on franking machine leasing costs	-24
Admin and Law Total	5,106	-884	711	4,933	4,974	-858	711	4,827	-106		-67

Corporate Performance & Resources Scrutiny Report
Budget Monitoring as at 31st October 2023 - Detail Monitoring

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000			
Marketing & Media											
Marketing and Media	790	-69	-177	544	715	-61	-177	477	-67	Underspend due to three vacant posts not being filled due to recruitment freeze	-58
Translation	576	-56	-502	19	481	-56	-502	-77	-95	Underspend on salaries, one staff member on maternity leave, one vacant post that will now to be filled in the current financial year, along with smaller underspends on supplies & services (£183k), offset by an overspend on set up and configuration of new communications software.	-80
Customer Services Centres	1,267	-380	-762	125	1,132	-376	-762	-7	-131	(£183k), offset by an overspend on set up and configuration of new communications software.	-97
Yr Hwb, Rhydaman a Llanelli	110	-99	8	19	90	-48	8	50	30	Shortfall in income mainly due to decreased demand for desk space rental	32
Total Marketing & Media	2,743	-604	-1,432	707	2,417	-541	-1,432	444	-263		-203
Statutory Services											
Elections-County Council	115	0	129	244	115	0	129	244	0		0
Registration Of Electors	179	-3	243	419	330	-154	243	419	-0		-0
Registrars	592	-407	192	376	642	-458	192	376	0		-0
Coroners	366	0	8	374	437	0	8	445	71	Large increase in number of cases being referred to the Coroner in general. Corresponding increase in volume and cost of toxicology and histology reports. Post mortem fees have doubled in the last 2 years due to increase in rates charged. Undertakers fees increased by 11.5%, Mortuary Fees increased by 5%.	99
Electoral Services - Staff	281	0	-291	-9	239	0	-291	-52	-43	Vacant post. Not being filled in current year.	-50
Statutory Services Total	1,532	-410	281	1,404	1,763	-612	281	1,432	29		49
Regeneration, Digital & Policy											
Regeneration Management	311	0	38	349	347	0	38	385	36	Overspend due to cessation of staff time that we are able to charge to grants	38
Betws wind farm community fund	87	-87	1	1	87	-87	1	1	0		0
Welfare Rights & Citizen's Advice	161	0	2	162	161	0	2	162	0		0
Llanelli Coast Joint Venture	160	-160	5	5	132	-132	5	5	-0		0
Econ Dev-Rural Carmarthen, Ammanford, Town Centres	365	0	5,623	5,988	365	0	5,623	5,988	-0		0
Econ Dev-Llanelli, C Hands, Coastal,Business, Inf & Ent	402	0	89	490	402	0	89	490	0		-0
Community Development and External Funding	576	0	109	686	576	0	109	686	-0		-0
Period Dignity Grant	0	0	0	0	105	-105	0	0	0		0
Welshness	275	0	19	294	275	0	19	294	-0		-0
Swansea Bay City Deal	0	0	24	24	-0	0	24	24	-0		-0
South West Wales Corporate Joint Comm	0	0	0	0	10	-10	0	-0	-0		-0
Information Technology	5,786	-970	-3,792	1,024	5,703	-963	-3,792	948	-76	6 vacant posts which will not now be filled as a result of the recruitment freeze.	-23
Welsh Language	141	-11	-153	-24	117	-11	-153	-48	-24	Part year vacant post not currently being filled due to recruitment freeze	-9
Chief Executive-Policy	737	-33	-786	-83	744	-33	-786	-75	7		8

Corporate Performance & Resources Scrutiny Report
Budget Monitoring as at 31st October 2023 - Detail Monitoring

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000			
Public Services Board	6	0	0	6	15	-9	0	6	-0		0
Armed Forces Covenant Scheme	0	0	0	0	73	-73	0	0	0		0
Armed Forces and Remembrance	5	0	0	5	1	0	0	1	-4		-2
Property	1,016	-95	-1,251	-330	916	-10	-1,251	-345	-15	Shortfall of £85k in external income offset by £66k staffing savings due to 3 vacant posts in early part of the year. 1 post currently vacant not currently being replaced due to recruitment freeze. £34k underspend on non salary budgets.	-19
Management of Markets, Employment Sites and Premises	216	0	0	216	223	0	0	223	8		7
Commercial Properties	54	-486	537	105	126	-574	537	89	-16	Reasonably high occupancy rates currently	-5
Provision Markets	719	-584	366	501	660	-491	366	535	34	Low occupancy rates has resulted in a shortfall of £93k in anticipated income. This is offset by savings made in premises related costs.	40
Asset Sales	21	0	0	21	28	0	0	28	7		-4
Operational Depots	490	0	-326	165	495	0	-326	169	4		5
Administrative Buildings	4,647	-888	-3,386	374	4,426	-728	-3,386	313	-61	£42k savings on employee costs due to vacancies and recruitment freeze. £19k savings estimated on premises related running costs.	-4
Industrial Premises	613	-1,638	942	-82	857	-1,947	942	-148	-66	Relatively High occupancy rates currently	-67
The Beacon	252	-151	50	151	253	-138	50	165	13	Decrease in demand for office space.	-4
County Farms	83	-368	522	236	90	-368	522	243	7		-0
Livestock Markets	65	-120	3	-51	20	-38	3	-15	36	Potential shortfall in income at Llandovery and Carmarthen Marts pending receipt of turnover figures from the respective operators	27
Property Division Business Unit	136	0	22	159	0	0	22	22	-136	Vacant HOS post awaiting further review of new divisional structure	-136
Property Maintenance Business Unit	1,170	-1,351	65	-117	1,156	-1,337	65	-117	0		0
Property Maintenance Operational	12,151	-12,507	183	-173	15,881	-16,019	183	44	217	£18k deficit due to pay award. Following Housing Disaggregation a review of recharges needs to be undertaken to take account of revised operating costs.	194
Property Maintenance - Notional Allocation	2,800	0	13	2,812	2,800	0	13	2,812	0		0
Schools Handyvan Service	0	0	0	0	243	-243	0	-0	-0		0
Mechanical and Electrical Schools & other LEA SLA	515	-515	0	0	515	-515	0	-0	-0		0
Pumping Stations	57	0	0	57	57	0	0	57	-0		0
Property Design - Business Unit	2,634	-3,010	165	-211	2,853	-3,317	165	-298	-87	Review of projected income based on current vacancies	-55
Design & Professional Services	0	0	0	0	113	-113	0	0	0		-0
Externally Funded Schemes	9,001	-8,997	303	307	7,376	-7,372	303	307	-0		-0
Total Regeneration, Digital & Policy	45,651	-31,972	-612	13,067	48,197	-34,633	-612	12,953	-115		-9

Corporate Performance & Resources Scrutiny Report
Budget Monitoring as at 31st October 2023 - Detail Monitoring

Division	Working Budget				Forecasted				Oct 2023 Forecasted Variance for Year £'000	Notes	Aug 2023 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000			
Financial Services											
Corporate Services Management Team	514	-153	-422	-61	515	-157	-422	-64	-3		-5
Accountancy	1,942	-510	-1,253	179	1,940	-476	-1,253	211	32	£35k overall shortfall on income targets consisting of a £22k shortfall on deputyship income and £13k of other smaller income shortfalls. £29k net underspend on vacant posts during the year; £26k net overspend on supplies and services.	52
Treasury and Pension Investment Section	284	-226	-70	-12	283	-228	-70	-15	-4		-3
Grants and Technical	370	-120	-218	32	326	-72	-218	36	4		3
Payroll Control	104	0	-88	16	107	0	-88	19	3		-0
Payments	609	-87	-457	65	597	-82	-457	58	-8		-5
Pensions	1,728	-1,639	-58	31	1,707	-1,618	-58	31	0		0
Audit Fees	331	-101	4	235	326	-101	4	230	-5		-5
Bank Charges	64	0	1	65	52	0	1	53	-12	Forecast underspend on Bank Charges	-25
Wales Pension Partnership	89	-89	0	-0	66	-66	0	-0	-0		0
Miscellaneous Services	8,111	-131	1,709	9,689	7,556	-20	1,709	9,245	-444	£432k underspend on pre LGR pension costs. £12k underspend on Subscriptions	-442
Financial Services Total	14,147	-3,055	-852	10,240	13,474	-2,818	-852	9,805	-436		-429
Revenues & Financial Compliance											
Procurement	643	-37	-551	55	581	-37	-551	-7	-62	Underspend on staff, due to 2 being on maternity leave, one on reduced hours and 2 vacancies during the first quarter of the year.	-62
Audit	518	-21	-463	34	526	-37	-463	26	-8		0
Risk Management	166	-1	-149	17	166	-0	-149	17	0		-20
Business Support Unit	150	0	-81	69	128	0	-81	47	-22	Vacant post during year. Will not be filled in 2023/24.	-11
Corporate Services Training	55	0	-59	-4	25	0	-59	-35	-30	Underspend based upon current demand for courses.	-30
Local Taxation	1,040	-776	528	791	1,156	-725	528	959	168	Large overspend on postage costs following price increases in recent years of £115k, along with a reduction in anticipated income received from recovering court costs based on 2022/23 figures.	147
Council Tax Reduction Scheme	18,385	0	78	18,463	18,238	0	78	18,316	-146	Underspend anticipated based on current levels of demand.	-225
Rent Allowances	34,823	-35,040	1,495	1,278	34,409	-34,599	1,495	1,305	27	Projection based on 2022/23 claims.	27
Rates Relief	251	0	5	256	155	0	5	160	-96	Low take-up anticipated based on current demand.	-97
Housing Benefits Admin	1,766	-755	-877	134	1,347	-661	-877	-191	-325	Net shortfall on grants income receivable of £94k compared with budget, offset by 10.5FTE current vacant posts within the section due to difficulties with recruitment.	-312
Revenues	1,089	-148	-755	186	1,235	-175	-755	304	118	£116k overspend on bank charges due to significant increase in the number of card payments in recent years.	92
Revenues & Financial Compliance Total	58,888	-36,779	-830	21,279	57,967	-36,234	-830	20,903	-376		-491
TOTAL FOR CORPORATE PERFORMANCE & RESOURCES	133,778	-75,422	-6,197	52,160	135,218	-78,055	-6,197	50,966	-1,194		-1,034

Capital Programme 2023/24							
Capital Budget Monitoring - Scrutiny Report for October 2023							
	Working Budget			Forecasted			Variance for Year
Department	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000	
Public Housing	33,836	-15,472	18,364	28,949	-15,619	13,330	-5,034
Private Housing	3,451	-468	2,983	3,451	-468	2,983	0
Leisure	4,754	-1,264	3,490	2,803	-147	2,656	-834
Social Care	2,243	-337	1,906	2,178	-321	1,857	-49
Place & Infrastructure	47,674	-23,242	24,432	20,536	-11,305	9,231	-15,201
Education & Children	29,983	-10,373	19,610	18,300	-2,796	15,504	-4,106
Chief Executive	10,536	0	10,536	6,440	-24	6,416	-4,120
Regeneration	106,383	-45,063	61,320	71,477	-34,020	37,457	-23,863
TOTAL	238,860	-96,219	142,641	154,134	-64,700	89,434	-53,207

Mae'r dudalen hon yn wag yn fwiadol

Capital Programme 2023/24							
Capital Budget Monitoring - Scrutiny Report for October 2023 - Main Variances							
DEPARTMENT/SCHEMES	Working Budget			Forecasted			Variance for Year £'000
	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000	
COMMUNITIES							
- Public Housing	33,836	-15,472	18,364	28,949	-15,619	13,330	-5,034
Sewage Treatment Works Upgrading	20	0	20	30	0	30	10
Internal and External Works (Property)	13,755	0	13,755	12,478	0	12,478	-1,277
Environmental Works (Housing Services)	350	0	350	281	0	281	-69
Adaptations and Equalities Works (Building Services)	2,000	0	2,000	2,000	0	2,000	0
Programme Delivery and Strategy	1,916	0	1,916	414	0	414	-1,502
Housing Development Programme (New builds & Stock Increase Programme)	14,080	0	14,080	12,031	-147	11,884	-2,196
Retrofit and Decarbonisation	1,715	0	1,715	1,715	0	1,715	0
MRA and IHP Grants Income	0	-15,472	-15,472	0	-15,472	-15,472	0
- Private Housing	3,451	-468	2,983	3,451	-468	2,983	0
Disabled Facilities Grant (DFG)	2,688	-100	2,588	2,688	-100	2,588	0
ENABLE - Adaptations to Support Independent Living	368	-368	0	368	-368	0	0
Empty Properties Initiatives	379	0	379	379	0	379	0
Care & Repair Small Repairs Scheme	16	0	16	16	0	16	0
- Leisure	4,754	-1,264	3,490	2,803	-147	2,656	-834
Leisure Centres	1,995	0	1,995	2,002	0	2,002	7
Oriol Myrddin Redevelopment	1,802	-1,000	802	106	0	106	-696
Libraries & Museums	409	-264	145	261	-147	114	-31
Country Parks	548	0	548	434	0	434	-114
Social Care	2,243	-337	1,906	2,178	-321	1,857	-49

Comment
The main variances are £1,617k Voids, -£1,349k Planned M&E Works and -£1,218k Risk Reduction Measures. The underspends in Planned M&E Works and Risk Reduction Measures are owing to a severe lack of resource within the Team which is restricting the ability to deliver on the projects. The overspend on Voids is due to additional expenditure on decant properties . This will be funded from underspends within the HRA capital programme.
Main variances are CHS programme -£1,086k and Stock Condition Survey -£416k.
This main variances are -£1,185k due to slippage of the Tyisha development (slip to 2024/25), -£1,611k in Council New build and £750k in the Strategic Regeneration Schemes. The overspend in Strategic Regeneration Schemes is due to accelerated works on 5-8 Spilman Street and Brynmefys.
Slip to 2024/25. Project now secured all funding, scheduled to start on site in January 2024.
Slip to 2024/25. Two-year scheme on car parking at Abergwili Museum.
Slip to 2024/25. £30k against the Cycling Hub, and £84k against Morfa Bacas Path.

Capital Programme 2023/24								
Capital Budget Monitoring - Scrutiny Report for October 2023 - Main Variances								
DEPARTMENT/SCHEMES	Working Budget			Forecasted			Variance for Year £'000	Comment
	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000		
Place & Infrastructure (Including Fleet)	47,674	-23,242	24,432	20,536	-11,305	9,231	-15,201	
Countryside Recreation & Access	176	-105	71	177	-105	72	1	
Coastal Protection & Flood Defence Works	1,412	-899	513	1,423	-899	524	11	
Fleet Replacement	4,496	0	4,496	1,638	0	1,638	-2,858	Slip to 2024/25.
Murray Street Multi Storey Car park	177	0	177	83	0	83	-94	Slip to 2024/25 - Needed for ongoing works.
Bridge Strengthening & Replacement	809	0	809	828	0	828	19	
Road Safe Improvements and Grant Project	727	0	727	727	0	727	0	
Highways Infrastructure	1,937	0	1,937	2,167	0	2,167	230	Increased programme costs due to material increases - accommodate as negative slippage. Fund from future year allocation.
Integrated Waste Strategy	370	0	370	54	0	54	-316	Slip to future years.
Refuse and Recycling Strategic Transformation	5,730	0	5,730	100	0	100	-5,630	Slip to 2024/25, vehicles likely to be procured in 2024/25.
Road Safety Projects	2,214	-2,180	34	2,214	-2,180	34	0	
Junction Improvements	451	-100	351	139	-100	39	-312	Slip to 2024/25.
Cross Hands ELR	620	0	620	620	0	620	0	
Public Transport Infrastructure	964	-932	32	962	-932	30	-2	
Towy Valley Path	18,377	-11,751	6,626	1,117	0	1,117	-5,509	Agreed land purchases and associated fees due to be completed shortly, potential to rise as more deals are agreed. Slip to 2024/25.
SRIC - Safe Routes in Communities	881	-881	0	881	-881	0	0	
Electric Vehicle Infrastructure	420	-263	157	518	-263	255	98	
Resilient Roads	568	-500	68	568	-500	68	0	
Active Travel Cycle and Walking Projects	740	-740	0	740	-740	0	0	
Other Infrastructure Projects	6,605	-4,891	1,714	5,580	-4,705	875	-839	Slip to 2024/25.
EDUCATION & CHILDREN	29,983	-10,373	19,610	18,300	-2,796	15,504	-4,106	
Schools: General Projects	994	0	994	675	0	675	-319	Main variance is -£279k Mobile Classrooms provision - slip to 2024/25.
Sustainable Communities For Learning - Match Funding Delivery Fund	10,299	-7,500	2,799	0	0	0	-2,799	Waiting for WG approval on project under design. Will be assigned to specific projects when approval is received.
Sustainable Communities for Learning - Band A - Design Stage Schemes	291	0	291	151	0	151	-140	Delays with acquiring land for Laugharne Primary School.
Sustainable Communities for Learning - Band A - WG FBC Approved Schemes	515	0	515	591	0	591	76	Snagging/defects ongoing.
Sustainable Communities for Learning - Band B - Design Stage Schemes	676	0	676	825	0	825	149	The main variances are £250k Heol Goffa -scheme out to tender and £336k Bryngwyn School Refurbishment - reviewing costs. These are offset by underspends in other areas due to MEP review.
Sustainable Communities for Learning - Band B - WG FBC Approved Schemes	6,346	0	6,346	6,361	0	6,361	15	
Infant Class Size	36	0	36	94	0	94	58	To be funded from MEP reserves.
Welsh Language Immersion Centres	0	0	0	17	0	17	17	

Capital Programme 2023/24							
Capital Budget Monitoring - Scrutiny Report for October 2023 - Main Variances							
DEPARTMENT/SCHEMES	Working Budget			Forecasted			Variance for Year £'000
	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000	
School Buildings - Education Capital Maintenance and Other Initiatives	5,465	0	5,465	5,409	0	5,409	-56
Additional Learning Needs (ALN + ASD) Projects	1,838	-1,338	500	1,442	-1,261	181	-319
Community Focused Schools 2023-25	2,166	-1,345	821	2,166	-1,345	821	0
Traffic Management Projects (Inc. Bus Bays)	650	0	650	46	0	46	-604
Flying Start Capital Expansion Programme	190	-190	0	223	-190	33	33
Ty Magu Safe Accommodation for Children	517	0	517	300	0	300	-217
CHIEF EXECUTIVE	10,536	0	10,536	6,440	-24	6,416	-4,120
IT Strategy Developments	1,890	0	1,890	853	0	853	-1,037
Block 3, St David's Park	1,203	0	1,203	1,203	0	1,203	0
Glanamman Industrial Estate Redevelopment	76	0	76	25	0	25	-51
Rural Estates Capital Schemes	0	0	0	15	-15	0	0
Capital maintenance	4,595	0	4,595	3,300	-9	3,291	-1,304
Main Administrative Buildings Works	2,772	0	2,772	1,044	0	1,044	-1,728
REGENERATION	106,383	-45,063	61,320	71,477	-34,020	37,457	-23,863
Llanelli Coast JV	221	0	221	224	-3	221	0
SPF (Shared Prosperity Fund) - Sustainable Communities Anchor	0	0	0	800	-800	0	0
Swansea Bay City Region Projects	72,226	-31,413	40,813	59,201	-31,713	27,488	-13,325
Rural Employment Spaces JV	0	0	0	0	0	0	0
Business Grants & Strategic Capital Projects	5,069	0	5,069	814	0	814	-4,255
Employment Sites	5,068	0	5,068	5,038	59	5,097	29
Town Centres	694	0	694	96	-48	48	-646
Transforming Towns Strategic Projects	3,833	0	3,833	3,549	-16	3,533	-300
Arfor Innovation Fund	300	-300	0	300	-300	0	0
Business Support for Renewable Energy Initiatives	456	0	456	92	0	92	-364
Ten Town Growth Plan	1,000	0	1,000	144	0	144	-856
Transforming Towns - Place Making (TTPM)	1,680	-925	755	7	0	7	-748
Levelling Up Fund - Carmarthen Hwb	15,836	-12,425	3,411	949	-949	0	-3,411
SPF - Place - Tackling Town Centres	0	0	0	263	-250	13	13
TOTAL	238,860	-96,219	142,641	154,134	-64,700	89,434	-53,207

Comment
Savings on ventilation measures.
Slip to future years.
0
-£621k slip to 2024/25. Overspends of £17k - Dyffryn Taf £4k and Nantgaredig School Car Park £13k to be funded from the provisions budget.
0
0
0
Slip to 2024/25. Needed for flooding and drainage works.
0
Slip to 2024/25.
Ty Elwyn works -£952k, slip to 2024/25, County Hall works -£776k slip to 2024/25 and 2025/26.
0
0
0
Slip to 2024/25. On schedule to be completed in Autumn 2024.
0
Pendine International Visitors Destination £86k to be funded from Leisure Nominal Funding. Remainder of underspend to slip to 2024/25.
29
Balance to be funded via Joint Venture.
Slip to 2024/25.
Slip to 2024/25 - Delays with purchasing properties.
0
Slip to 2024/25.
Slip to future years.
Slip to 2024/25, project delayed.
Slip to 2024/25.
13

TOTAL

Mae'r dudalen hon yn wag yn fwiadol

Chief Executive						
Capital Budget Monitoring - Scrutiny Report For October 2023						
Scheme	Working Budget			Forecasted		
	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000
St David's Park	1,203	0	1,203	1,203	0	1,203
St David's Park - Building 3	1,203	0	1,203	1,203	0	1,203
Industrial Redevelopments	76	0	76	25	0	25
Glanamman Industrial Estate Redevelopment	76	0	76	25	0	25
IT Strategy Developments	1,890	0	1,890	853	0	853
Digital Transformation	492	0	492	355	0	355
PSBA Network	213	0	213	45	0	45
Strategic Digital Initiatives	279	0	279	126	0	126
Corporate Wifi Environment/Meraki Broadband Hardware	185	0	185	181	0	181
Data Centre and Power	41	0	41	8	0	8
Voice Infrastructure	189	0	189	51	0	51
HWB Local Authority Grant	367	0	367	30	0	30
Information Security and Governance	124	0	124	57	0	57
Rural Estates Capital Schemes	0	0	0	15	-15	0
SPF - Food System Development - Bremenda Isaf County Farm, Llanarthne, SA32 8JX	0	0	0	15	-15	0
Capital maintenance	4,595	0	4,595	3,300	-9	3,291
Main Administrative Buildings Works	2,772	0	2,772	1,044	0	1,044
County Hall Works	1,513	0	1,513	737	0	737
Ty Elwyn Works	1,157	0	1,157	205	0	205
Llanelli Town Hall - Stone Ramp Access	2	0	2	2	0	2
Kidwelly Town Hall	100	0	100	100	0	100
NET BUDGET	10,536	0	10,536	6,440	-24	6,416

Variance for Year £'000	Comment
0	Due to complete in January 2024. Commitment to the end of construction period.
0	
-51	Slip to 2024/25. Needed for flooding and drainage works.
-51	
-1,037	
-137	Slip to 2024/25. Committed for Future Years based on DTSG projects.
-168	
-153	Slip to 2024/25. Network redesign dependent on Buildings Strategy.
-4	Slip to 2024/25. Future costs to finalise amalgamation and decommissioning of Data Centres.
-33	
-138	Slip to 2024/25. Future costs to finalise amalgamation and decommissioning of Data Centres.
-337	Slip balance to 2024/25. Evaluating future direction of Voice provision.
-67	Slip balance to 2024/25.
0	
0	
-1,304	Slip to 2024/25.
-1,728	
-776	Slip to 2024/25 and 2025/26.
-952	Slip balance to 2024/25.
0	
0	
-4,120	

Regeneration						
Capital Budget Monitoring - Scrutiny Report For October 2023						
Scheme	Working Budget			Forecasted		
	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000
Llanelli JV General	221	0	221	224	-3	221
North Dock - Pontrilais Building - Fee	2	0	2	2	0	2
Machynys Hotel Development	219	0	219	219	0	219
Heol Y Bwlch (Llanelli JV)	0	0	0	3	-3	0
Rural Employment Spaces JV	0	0	0	0	0	0
Rural Employment Spaces JV - Budget	0	0	0	0	0	0
SPF (Shared Prosperity Fund) - Sustainable Communities Anchor	0	0	0	800	-800	0
SPF - Sustainable Communities	0	0	0	800	-800	0
Swansea Bay City Region Projects	72,226	-31,413	40,813	59,201	-31,713	27,488
SB City Region - Digital Project - Connected Places	0	0	0	300	-300	0
SB City Region - Yr Egin Ph2	2,000	0	2,000	2,000	0	2,000
SB City Region - Pentre Awel. Zone 1 - Pre-Construction Stage	0	0	0	2	0	2
SB City Region - Pentre Awel. Zone 1 - Construction Stage	70,226	-31,413	38,813	56,899	-31,413	25,486
Business Grants & Strategic Capital Projects	5,069	0	5,069	814	0	814
Pendine Iconic International Visitors Destination	83	0	83	169	0	169
Rural Enterprise Fund	1,677	0	1,677	273	0	273
Transformation Commercial Property Development Fund	2,911	0	2,911	200	0	200
Ammanford Regeneration Development Fund	168	0	168	49	0	49
Llandeilo Market Hall	18	0	18	13	0	13
Business Flood Relief & Infrastructure Fund	212	0	212	110	0	110
Employment Sites	5,068	0	5,068	5,038	59	5,097
Cross Hands East Strategic Employment Site Ph1	213	0	213	213	0	213
Cross Hands East Plot 3 Development	4,770	0	4,770	4,770	0	4,770
Cross Hands East Phase 2	85	0	85	55	59	114
Town Centres	694	0	694	96	-48	48
Cardiff Marthon Town Regeneration - Jacksons Lane (81086)	48	0	48	96	-48	48
Cardiff Marthon Old Town Quarter Regeneration	646	0	646	0	0	0

Variance for Year £'000	Comment
0	
0	
0	
0	
0	
0	
0	
0	
-13,325	
0	
0	
2	
-13,327	Slip to 2024/25. On schedule to be completed in Autumn 2024.
-4,255	
86	Funded from Leisure Nominal Funding.
-1,404	Delays in 3rd party grant delivery, slip to 2024/25.
-2,711	Slip to 2024/25.
-119	Slip to 2024/25.
-5	
-102	Slip to future years.
29	
0	
0	
29	Balance to be funded via Joint Venture.
-646	Slip to 2024/25.
0	
-646	

Regeneration						
Capital Budget Monitoring - Scrutiny Report For October 2023						
Scheme	Working Budget			Forecasted		
	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000
Transforming Towns Strategic Projects	3,833	0	3,833	3,549	-16	3533
TRI Property Enhancement Development Grant (PEDG)	0	0	0	0	-9	-9
TRI Strategic Projects - Market Street North	2,362	0	2,362	2,362	0	2,362
TRI Strategic Projects - Former YMCA Building, Stepney Street, Llanelli - Exp	1,177	0	1,177	1,177	0	1,177
Transforming Towns (GI&B) - Llanelli Library Green Wall	0	0	0	10	-7	3
Transforming Towns Strategic Projects	294	0	294	0	0	0
Arfor Innovation Fund	300	-300	0	300	-300	0
ARFOR 2 - Budget	300	-300	0	300	-300	0
Business Support for Renewable Energy Initiatives	456	0	456	92	0	92
Business Support for Renewable Energy Initiatives	456	0	456	92	0	92
Ten Town Growth Plan	1,000	0	1,000	144	0	144
Ten Town Growth Plan	1,000	0	1,000	144	0	144
Transforming Towns - Place Making (TTPM)	1,680	-925	755	7	0	7
TTPM - Acquisition of 36 Stepney Street	670	-250	420	0	0	0
TTPM - Acquisition of Family Value, Carmarthen	250	-175	75	0	0	0
TTPM - Acquisition of Post Office, Carmarthen	400	-250	150	0	0	0
TTPM - Overall Acquisitions/Works in Primary Towns	360	-250	110	0	0	0
TTPM - Ammanford Market Square Redevelopment	0	0	0	7	0	7
Levelling Up Carmarthen West & Pembs South (LUF029)	15,836	-12,425	3,411	949	-949	0
Levelling Up Carmarthen West & Pembs South (LUF029): Carmarthen Hub	15,836	-12,425	3,411	949	-949	0
SPF - Place - Tackling Town Centres	0	0	0	263	-250	13
SPF - Place - Tackling Town Centres - Carmarthen	0	0	0	263	-250	13
NET BUDGET	106,383	-45,063	61,320	71,477	-34,020	37,457

Variance for Year £'000	Comment
-300	
-9	
0	
0	
3	Year 2 maintenance costs.
-294	Slip to 2024/25.
0	
0	
-364	Slip to 2024/25.
-364	
-856	Slip to future years.
-856	
-748	Slip to 2024/25, project delayed.
-420	
-75	
-150	
-110	
7	
-3,411	Slip to 2024/25.
-3,411	
13	
13	
-23,863	

Mae'r dudalen hon yn wag yn fwiadol

2023/24 Savings Monitoring Report
Corporate Performance and Resources Scrutiny Committee
31st January 2024

1 Summary position as at : 31st October 2023

£160 k variance from delivery target

	2023/24 Savings monitoring		
	2023/24	2023/24	2023/24
	Target	Delivered	Variance
	£'000	£'000	£'000
Chief Executive	721	561	160
Corporate Services	325	325	0
	1,046	886	160

2 Analysis of delivery against target for managerial and policy decisions:

Managerial
Policy

£160 k Off delivery target
£0 k ahead of target

	MANAGERIAL			POLICY		
	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24
	Target	Delivered	Variance	Target	Delivered	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	721	561	160	0	0	0
Corporate Services	325	325	0	0	0	0
	1,046	886	160	0	0	0

3 Appendix F (i): Savings proposals not on target

Appendix F (ii): Savings proposals on target (for information)

DEPARTMENT	2022/23 Budget	FACT FILE	2023/24 Proposed	2023/24 Delivered	2023/24 Variance	EFFICIENCY DESCRIPTION	REASON FOR VARIANCE
	£'000		£'000	£'000	£'000		

Managerial - Off Target**Chief Executive**

People Management Division	3,095	Includes Payroll, People Services, Organisational Development, Employee Wellbeing , HR Development Team, Business and Project Support	75	0	75	Realignment of Division	Realignments have taken place but to date the allocation of this proposal has not been provided against specific posts within the division
People Management division	3,095	Includes Payroll, People Services, Organisational Development, Employee Wellbeing , HR Development Team, Business and Project Support	35	0	35	£35k TIC additional income	Not likely to be possible until a commercial manager is in place
Regeneration division	4,547	Regeneration is a key priority for the council. The Division 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 planned for Delta Lakes. The Regeneration Division 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. The Division is also responsible for the delivery of the Council's Net Zero Carbon agenda.	30	0	30	£30k Staffing cost savings (possibly making use of external funding in place of current core funding);	No external funding identified to date
Statutory Services - Coroners	369		20	0	20	Discussion with Pembrokeshire CC on how costs can be economised including office accommodation (inquest files storage costs will remain) due to remote working. It is also planned to instigate talks with Glangwili hospital to formalise the arrangements regarding post mortems carried out on behalf of the Coroner and also to formalise a tender for Funeral Directors working on behalf of the Coroner. Both these proposals should generate future savings.	Costs for this service have risen dramatically in the last 9 months. The number of referrals to the Coroner have increased along with increased Post Mortem costs, mortuary costs, undertakers costs as well as toxicology and histology. As a result the service is expecting to be significantly overspent in 2023/24.

Chief Executive Total			160	0	160		
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Policy - Off Target

NOTHING TO REPORT

DEPARTMENT	2022/23 Budget	FACT FILE	2023/24 Proposed	2023/24 Delivered	2023/24 Variance	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	

Managerial - On Target

Chief Executive

Chief Executive, Business and Executive Support	618	Office of the Chief Executive, business and executive support	35	35	0	Reduction of staffing within Business Support Unit
Chief Executive, Business and Executive Support	618	Office of the Chief Executive, business and executive support	30	30	0	Further reduction in staffing within Business Support Unit
Information Technology	4,722	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. As 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) our major savings in future years however will have to be found from our staffing budget. The work the service does significantly contribute to financial savings being delivered from revenue budgets held across the Authority by other service areas.	100	100	0	Reduction in the Hardware Replacement Programme. This will result in having to sweat the current assets and hardware estate we manage by extending the life of current stock. i.e. a laptop is scheduled to be replaced currently every 4 years based on industry advice and standards. This will have to be extended by 1-2 years presenting a risk as there will be a significant reduction in stock available in the replacement programme. This could reduce the quality of the excellent service that we have been providing to staff during COVID and hybrid-working and will likely increase hardware failures and disruption to staff working by extending life of current stock beyond what we currently have set in our Replacement Programme.
Corporate Policy	805		4	4	0	£4k from Policy which will see a reduction in budgets currently supporting admin, subsistence and meeting costs
Marketing & Media	542	Business Unit comprising of translation, marketing and tourism, contact centres, customer services, press and communications.	46	46	0	Review of Translation Unit
Marketing & Tourism Development	400		40	40	0	£40k reduction in activities that currently support the tourism sector.
Regeneration division	4,547	Regeneration is a key priority for the council. The Division 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 planned for Delta Lakes. The Regeneration Division 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. The Division is also responsible for the delivery of the Council's Net Zero Carbon agenda.	82	82	0	£10k - Econ Dev revenue budget cut - split 50/50 between Rural & Llanelli; £12k - Operational depots revenue budget cut; £30k - Admin building revenue budget cut; £30k - Property industrial premises budget cut
Regeneration division	4,547	Regeneration is a key priority for the council. The Division 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 planned for Delta Lakes. The Regeneration Division 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. The Division is also responsible for the delivery of the Council's Net Zero Carbon agenda.	130	130	0	Additional £60k staff saving cost. Additional £30k econ dev revenue budget cut – split 50/50 between Llanelli and rural. £40k through mothballing admin areas where vacant to reduce utility costs etc.
Property Maintenance	notional allocation 2,596	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.	54	54	0	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.
People Management division	3,095	Includes Payroll, People Services, Organisational Development, Employee Wellbeing , HR Development Team, Business and Project Support	40	40	0	£20k L&D reallocation of the SCDWP grant ; £20k HR payroll - introduction of a new AVC wise scheme.
Chief Executive Total			561	561	0	

DEPARTMENT	2022/23 Budget	FACT FILE	2023/24 Proposed	2023/24 Delivered	2023/24 Variance	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	

Corporate Services**Financial Services**

PRE LGR Pension Costs	1,816	Cost of Pre LGR Pension Costs	100	100	0	Reduction in call on budget over time
Bank Charges	66	Cost of Authority's Banking arrangements	5	5	0	Reduction in bank charges following negotiation of new contract
Treasury	-200 (income budget)		100	100	0	Increased investment returns from treasury activity - assumes recent increase in interest rates sustained and higher level of cash balances retained
Treasury & Pensions Section	77	Provision of a Treasury Management and Pension Fund Investments Service including statistical and legislative research and development work. The unit manages the strategic direction, formulates and implements Policy and Strategy and ensures the integrity of the Dyfed Pension Fund. The unit also manages the Dyfed Welsh Church Fund and Banking Services	15	15	0	Increase in external SLA income for work undertaken for Wales Pension Partnership
External Audit Fees	229	Cost of external audit fees	10	10	0	Reduction in external audit cost by maximising audit costs chargeable against grant schemes
Total Financial Services			230	230	0	

Revenues & Financial Compliance

Rates Relief	289	Cost to CCC of properties that are eligible and have successfully applied for discounts on their business rates	50	50	0	Demand is currently less than current budget provision
Council Tax Reduction Scheme	17,249	Low income households, if meet certain criteria are entitled to Council Tax reduction.	35	35	0	Aligning the budget to actual
Total, Revenues and Financial Compliance			85	85	0	

Corporate Services General

Training Budget	60	Training budget set for the Department and to be used to support staff development / CPD - managed centrally by BSU	10	10	0	Reduce the sum available for the Department for training - current budget is £60k
Total Corporate Services General			10	10	0	

Corporate Services Total**325 325 0****Policy - On Target**

NOTHING TO REPORT

Savings Monitoring Report - 2022/23 brought forward
Corporate Performance and Resources Scrutiny Committee
31st January 2024

1 Summary position as at : 31st October 2023

£67 k variance from delivery target

	2022/23 Savings monitoring		
	2022/23	2022/23	2022/23
	Target	Delivered	Variance
	£'000	£'000	£'000
Chief Executive	67	0	67
Corporate Services	0	0	0
	67	0	67

2 Analysis of delivery against target for managerial and policy decisions:

Managerial
Policy

£67 k Off delivery target
£0 k ahead of target

	MANAGERIAL			POLICY		
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	Target	Delivered	Variance	Target	Delivered	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	67	0	67	0	0	0
Corporate Services	0	0	0	0	0	0
	67	0	67	0	0	0

3 Appendix F (iv): Savings proposals not delivered in 2022/23

DEPARTMENT	2021/22 Budget	FACT FILE	2022/23 Not achieved	2022/23 Delivered in 2023/24	2023/24 Variance	EFFICIENCY DESCRIPTION	REASON FOR VARIANCE
	£'000		£'000	£'000	£'000		

Managerial - Off Target

Chief Executive

People Management division	2,767	Includes Payroll, People Services, Organisational Development, Employee Wellbeing , HR Development Team, Business and Project Support	67	0	67	Focus is going to be on delivering the targets based on the realignment of OD, together with some additional income generation right across the division, this proving to be difficult as only have the staffing budgets to yield the efficiencies, and that is becoming more difficult as each year passes.	Saving not yet progressed
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Chief Executive Total			67	0	67		
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Policy - Off Target

NOTHING TO REPORT

**PWYLLGOR CRAFFU PERFFORMIAD
AC ADNODDAU CORFFORAETHOL
31^{ain} IONAWR 2024**

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

GOFYNNIR I'R PWYLLGOR CRAFFU:

Fel rhan o'r ymgynghori ynghylch y gyllideb, i archwilio'r Rhaglen Gyfalaf sydd ynghlwm, a gwneud unrhyw argymhellion i'r Cabinet.

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)
- Cyng. Philip Hughes (Trefniadaeth a'r Gweithlu)

<p>Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol</p> <p>Enw'r Gyfarwyddwr: 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

CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE 31st JANUARY 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. It forms the basis of the budget consultation process with members and other relevant parties. Feedback from this consultation process, along with any updates, will inform the final Capital Programme budget report which will be presented to Cabinet, and in turn to County 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.

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.

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 HOLDER(S) AWARE/CONSULTED?
YES

(Include any observations here)

**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.

REPORT OF DIRECTOR OF CORPORATE SERVICES

Corporate Performance and Resources Scrutiny Committee

31st January 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 Corporate Performance & Resources Scrutiny Committee are being consulted as part of the development of the programme. Feedback from this consultation process, along with the outcome of the final settlement, will inform the final budget report which will be presented to Cabinet and County Council in February 2024 for approval.
- 1.3. 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. BACKGROUND

- 2.1. 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.
- 2.2. 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.

- 2.3. The proposed capital programme is attached in Appendix A and shows the anticipated expenditure and sources of funding over the five year period.
- 2.4. 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.

3. PRIORITIES

- 3.1. 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.
- 3.2. The proposed capital programme of £192.3m 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	21
Place and Infrastructure	43

4. 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.

- 4.1. 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.
- 4.2. 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.
- 4.3. 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.
- 4.4. 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.
- 4.5. It is proposed to supported 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 crystalised 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.

5. CAPITAL PROGRAMME 2024/25 TO 2028/29

5.1. 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 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

5.2. 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 Oriol 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.

5.3. 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 5.26)

5.4. Shared Prosperity Fund grant of £472k has been secured for a new amenity block at Pembrey Country Park campsite.

5.5. 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

5.6. 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.

5.7. 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.

5.8. 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.

5.9. 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.

- 5.10. £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

- 5.11. 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.
- 5.12. £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.
- 5.13. 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.
- 5.14. 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.
- 5.15. 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

- 5.16. 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.

- 5.17. 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 by the private sector and is 100% funded by City Deal Grants, so these are not included in this programme.
- 5.18. Significant investment will be made available for the refurbishment of the county's rural built estate with £300k for county farms slurry infrastructure in 2024-25.
- 5.19. 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.
- 5.20. 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

- 5.21. 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.
- 5.22. 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.

- 5.23. 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.
- 5.24. £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 complements the wider Shared Prosperity Funding available to businesses from revenue grants.
- 5.25. 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.
- 5.26. 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.

- 5.27. 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.
- 5.28. 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.

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

6.1. 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’

6.2. 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

6.3. 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

6.4. 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:

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

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

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

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

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

7.

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	16,752	17,624	2,234	2,267	4,197	43,074
Education & Children	29,493	20,857	6,214	6214	1500	64,278
Chief Executive	5,339	4,037	4745	3460	3670	21,251
Regeneration	30,904	12,863	2,201	2,000	2,000	49,968
Total Expenditure	86,680	57,381	17,894	16,441	13,867	192,263
<u>Grants and Contributions</u>						
External Funding	36,556	27,127	3,714	3714	650	71,761
Net Expenditure Funded by CCC	50,124	30,254	14,180	12,727	13,217	120,502
<u>CCC Funding</u>						
Non-hypothecated	5,905	5,905	5,905	5,905	5,905	29,525
Supported Borrowing						
Unsupported Borrowing	15,207	9,841	-1,100	280	500	24,728
Prudential Borrowing - Fleet	5,786	2,758	208	241	2171	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	2112	1187	0	4,500
Direct Revenue Funding	2700	516	490	16	16	3,738
Total Internal Funding	50,124	30,254	14,180	13,694	14,657	122,909
Overall Net Position:						
Surplus + / Deficit (-)	0	0	0	967	1,440	2,407

7.1. 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.

7.2. The total cost of the programme is £192.3m of which £71.8m is funded by external grants and contributions.

7.3. The total amount of unallocated funding is £2.4m.

7.4. The full detail of the proposed five-year capital programme is attached in Appendix A.

8. REVENUE IMPLICATIONS

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

9. RECOMMENDATIONS

9.1 That the Corporate Performance and Resources Scrutiny Committee consider the content of this report and put forward any comments or observations for consideration by Cabinet.

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		
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
PLACE and INFRASTRUCTURE																		
<i>Countryside</i>																		
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
<i>Coastal and Flood Defence</i>			0			0			0			0			0			0
Flood Mitigation	400	0	400	400	0	400	0	0	0	0	0	0	0	0	0	800	0	800
<i>Fleet Management - Prudential Borrowing</i>			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
<i>Waste Management</i>																		
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
<i>Infrastructure</i>			0			0			0			0			0			0
Multi Storey Car Park, Llaneli	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
<i>Transportation</i>																		
Road Safety Improvement Schemes	250	0	250	250	0	250	250	0	250	250	0	250	250	0	250	1,250	0	1,250
<i>Public Transport Infrastructure</i>																		
Tywi Valley Path - Levelling Up Fund	0	0	0	45	0	45	0	0	0	0	0	0	0	0	0	45	0	45
<i>Place</i>																		
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	14,657	2,095	16,752	10,229	7,395	17,624	2,234	0	2,234	2,267	0	2,267	4,197	0	4,197	33,584	9,490	43,074

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																		
Modernising Education Programme																		
Schools: General Projects																		
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
Sustainable Communities for Learning Match Funding																		
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300
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
Ty 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
Total Chief Executive	5,339	0	5,339	4,037	0	4,037	4,745	0	4,745	3,460	0	3,460	3,670	0	3,670	21,251	0	21,251

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	50,124	36,556	86,680	30,254	27,127	57,381	14,180	3,714	17,894	12,727	3,714	16,441	13,217	650	13,867	120,502	71,761	192,263

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
Sources of Funding																		
Borrowing: PWLB	21,411	0	21,411	18,504	0	18,504	5,013	0	5,013	6,426	0	6,426	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		436	765		765	2,112		2,112	1,187		1,187	0		0	4,500		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	50,124	36,556	86,680	30,254	27,127	57,381	14,180	3,714	17,894	13,694	3,714	17,408	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	967	0	967	1,440	0	1,440	2,407	0	2,407
Summary of Expenditure by Services																		
Public 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
Private Housing	1,084	808	1,892	0	0	0	0	0	0	0	0	0	0	0	0	1,084	808	1,892
Culture & Leisure	14,612	1,685	16,297	10,229	7,395	17,624	2,234	0	2,234	2,267	0	2,267	4,197	0	4,197	33,539	9,080	42,619
Transportation, Infrastructure & Municipal	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
Economic Development	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
Education & Children	4,991	410	5,401	3,072	0	3,072	3,000	0	3,000	3,000	0	3,000	3,000	0	3,000	17,063	410	17,473
Property	393	0	393	965	0	965	1,745	0	1,745	460	0	460	670	0	670	4,233	0	4,233
ICT																		
Total Capital Expenditure by Service	50,124	36,556	86,680	30,254	27,127	57,381	14,180	3,714	17,894	12,727	3,714	16,441	13,217	650	13,867	120,502	71,761	192,263
Summary of Expenditure by Department																		
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	14,657	2,095	16,752	10,229	7,395	17,624	2,234	0	2,234	2,267	0	2,267	4,197	0	4,197	33,584	9,490	43,074
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	4,037	0	4,037	4,745	0	4,745	3,460	0	3,460	3,670	0	3,670	21,251	0	21,251
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	50,124	36,556	86,680	30,254	27,127	57,381	14,180	3,714	17,894	12,727	3,714	16,441	13,217	650	13,867	120,502	71,761	192,263
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	50,124	0	50,124	30,254	0	30,254	14,180	0	14,180	12,727	0	12,727	13,217	0	13,217	120,502	0	120,502

PWYLLGOR CRAFFU PERFFORMIAD AC ADNODDAU CORFFORAETHOL DYDDIAD 31/01/2024

Pwnc:

Polisi Rheoli'r Trysorlys a Strategaeth 2024-25

GOFYNNIR I'R PWYLLGOR CRAFFU:-

Ystyried cynnwys yr adroddiad oherwydd y bydd rôl craffu'r Pwyllgor ynghylch gweithgarwch a swyddogaeth yn ystod y flwyddyn nesaf, wedi ei selio ar y wybodaeth yma.

Y Rhesymau:

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

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

DATE 31/01/2024

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

ALL IMPLICATIONS REQUIRE SIGN OFF BY THE DIRECTOR OR HEAD OF SERVICE

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(S) AWARE/CONSULTED YES	Include any observations here
--	--------------------------------------

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

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

Mae'r dudalen hon yn wag yn fwriadol

**MEETING OF CORPORATE PERFORMANCE & RESOURCES
SCRUTINY COMMITTEE
DATE: 31st January 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 uncompounded 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 Scrutiny reviews and considers the content of the Treasury Management Policy and Strategy for 2024-2025 and recommendations therein.**
- 2. That Scrutiny reviews and considers 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 22nd 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>8</u>	<u>1</u>
							<u>4</u>	<u>2</u>
UK Banks								
Banco Santander Central Hispano Group								
- Santander UK Plc	F1	A+	P-1	A1	A-1	A	8	1
							4	2
Barclays Bank	F1	A+	P-1	A1	A-1	A+	8	1
							4	2
HSBC Bank Plc	F1+	AA-	P-1	A1	A-1	A+	8	1
							4	2
Lloyds Banking Group								
- Bank of Scotland Plc	F1	A+	P-1	A1	A-1	A+	8	1
							4	2
- Lloyds Bank	F1	A+	P-1	A1	A-1	A+	8	1
							4	2
Standard Chartered Bank	F1	A+	P-1	A1	A-1	A+	8	1
							4	2
UK Building Societies								
Nationwide	F1	A	P-1	A1	A-1	A+	8	1
							4	2
UK Banks Part Nationalised								
Royal Bank of Scotland Group								
- National Westminster Bank Plc	F1	A+	P-1	A1	A-1	A+	8	1
							4	2
- Royal Bank of Scotland Plc	F1	A+	P-1	A1	A-1	A+	8	1
							4	2
<u>Council's Banker</u>							3	1 day
<u>Other Institution Limits</u>								
Local Authorities								
Any One Local Authority (including police and fire authority)							5	1
Money Market Funds								
Any AAA Rated Money Market Fund CNAV							10	1
Money Market Funds								
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

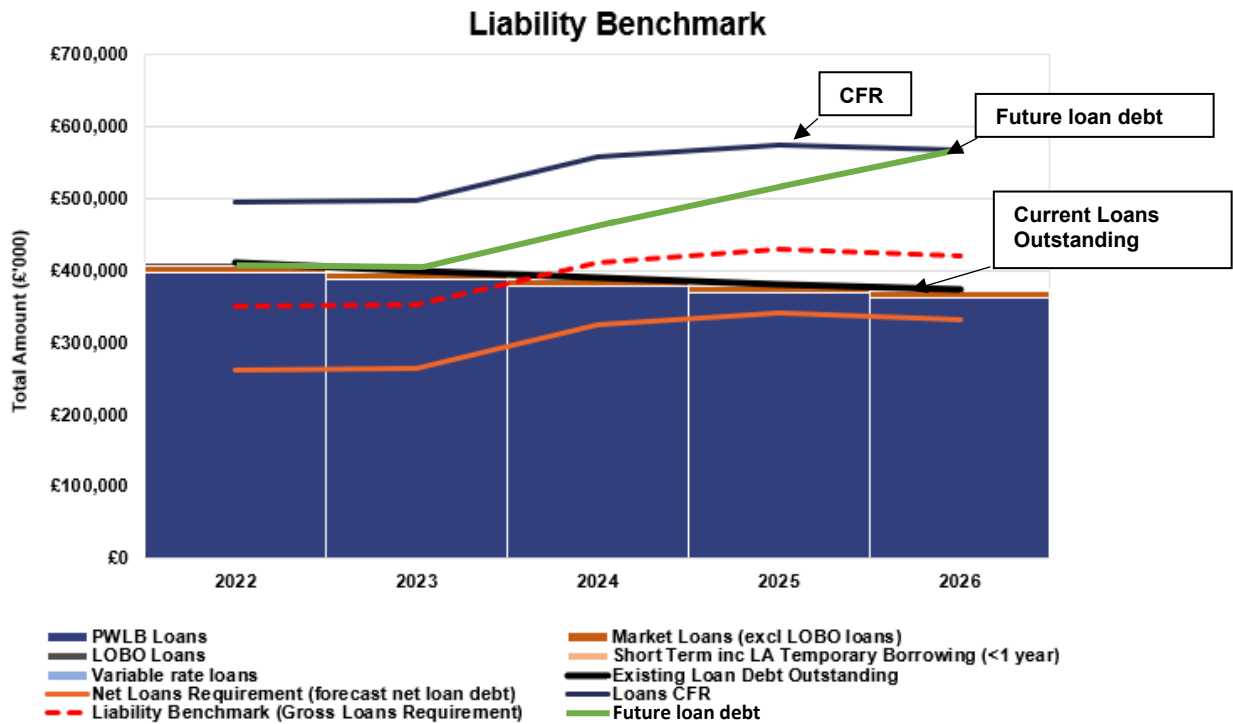
The Council's actual external debt at 31st March 2023 was £411m. The actual external debt is not directly comparable to the authorised limit and operational boundary because the actual external debt reflects the position at a point in time.

1.3. Liability Benchmark

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.

**PWYLLGOR CRAFFU
PERFFORMIAD AC ADNODDAU CORFFORAETHOL
24 IONAWR 2024**

EGLURHAD AM BEIDIO Â CHYFLWYNO ADRODDIAD CRAFFU

Ystyried y materion canlynol a chyflwyno sylwadau arnynt:

- Ystyried yr eglurhad am beidio â chyflwyno adroddiad craffu.

Rhesymau:

- Mae'n ofynnol yn ôl Cyfansoddiad y Cyngor bod Pwyllgorau Craffu yn datblygu ac yn cyhoeddi Blaenraglen Gwaith sy'n nodi'r pynciau a'r adroddiadau sydd i'w hystyried yn ystod y blwyddyn. Os na chyflwynir adroddiad fel y'i trefnwyd, disgwylir i swyddogion baratoi eglurhad am beidio â chyflwyno adroddiad craffu sy'n egluro'r rheswm(au)pam.

Angen cyfeirio'r mater at y Cabinet er mwyn gwneud penderfyniad: NAC OES

Yr Aelod Cabinet sy'n gyfrifol am y Portffolio: N/A

Awdur yr Adroddiad: Kelly Evans	Swydd: Swyddog Gwasanaethau Democrataidd	Rhifau Ffôn / Cyfeiriad E-Bost: 01267 224178 kellyevans@sirgar.gov.uk
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EXECUTIVE SUMMARY

CORPORATE PERFORMANCE & RESOURCES SCRUTINY COMMITTEE

NON-SUBMISSION OF SCRUTINY REPORT

The Council's Constitution requires Scrutiny Committees to develop and publish an annual Forward Work Programme which identifies the issues and reports to be considered at meetings during the course of the year.

If a report is not presented as scheduled in the Forward Work Programme, the responsible officer(s) are expected to prepare a non-submission report explaining the reason(s) why.

DETAILED REPORT ATTACHED?	YES
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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: Linda Rees-Jones Head of Administration & Law

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
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: Linda Rees-Jones Head of Administration & Law

- 1. Local Member(s) – N/A**
- 2. Community / Town Council – N/A**
- 3. Relevant Partners – N/A**
- 4. Staff Side Representatives and other Organisations – N/A**

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

There are none.

**CORPORATE PERFORMANCE AND RESOURCES
SCRUTINY COMMITTEE
31ST JANUARY 2024**

**Explanation for non-submission
of scrutiny report**

ITEM	RESPONSIBLE OFFICER	EXPLANATION	REVISED SUBMISSION DATE
PSB Minutes for November meeting	Jason Jones	Approval of minutes was being sought at PSB meeting 23 rd January, 2024	1 st March, 2024

Mae'r dudalen hon yn wag yn fwriadol

**PWYLLGOR CRAFFU PERFFORMIAD AC ADNODDAU
CORFFORAETHOL
31 IONAWR 2024**

EITEMAU AR GYFER Y DYFODOL

Ystyried y materion canlynol a chyflwyno sylwadau arnynt:

- Nodi'r eitemau ar gyfer y dyfodol i'w hystyried yng nghyfarfod nesaf y Pwyllgor Craffu Perfformiad ac Adnoddau Corfforaethol i'w gynnal ar 1 Mawrth, 2024.

Rhesymau:

- Mae'n ofynnol yn ôl Cyfansoddiad y Cyngor bod Pwyllgorau Craffu, ar dechrau bob blwyddyn y cyngor, yn datblygu ac yn cyhoeddi Blaenraglen Gwaith sy'n nodi'r pynciau a'r adroddiadau sydd i'w hystyried yn ystod y blwyddyn.

Angen cyfeirio'r mater at y Cabinet er mwyn gwneud penderfyniad: NAC OES

Yr Aelod Cabinet sy'n gyfrifol am y Portffolio: Cyng. D. Price (Arweinydd), Cyng. A. Lenny (Adnoddau), Cyng. P. Hughes (Trefniadaeth a'r Gweithlu)

Awdur yr Adroddiad:
Kelly Evans

Swydd:
Swyddog Gwasanaethau
Democrataidd

Rhifau Ffôn / Cyfeiriad E-Bost:
01267 224178
kellyevans@sirgar.gov.uk

EXECUTIVE SUMMARY

CORPORATE PERFORMANCE & RESOURCES SCRUTINY COMMITTEE

FORTHCOMING ITEMS

The Council's Constitution requires Scrutiny Committees, at the commencement of each municipal year, to develop and publish a Forward Work Plan which identifies the issues and reports to be considered at meetings during the course of the year. When formulating the Forward Work Plan the Scrutiny Committee will take into consideration those items included on the Cabinet's Forward Work Programme.

The list of forthcoming items attached includes those items which are scheduled in the Corporate Performance & Resources Scrutiny Committee's Forward Work Plan.

The published Cabinet Forward Work Plan, at the time of publication of this meeting pack, is attached to this report. However, as the Cabinet Forward Plan is updated on a regular basis, the most recent version is available to view in the following link:-

<https://democracy.carmarthenshire.gov.wales/mgListPlans.aspx?RPId=131&RD=0>

DETAILED REPORT ATTACHED?	YES: (1) List of Forthcoming Items (2) Cabinet Forward Work Plan
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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: Linda Rees-Jones Head of Administration & Law

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
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: Linda Rees-Jones Head of Administration & Law

1. Local Member(s) – N/A
2. Community / Town Council – N/A
3. Relevant Partners – N/A
4. 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:
There are none.

**FORTHCOMING ITEMS
TO BE CONSIDERED AT THE NEXT MEETING OF THE CORPORATE
PERFORMANCE & RESOURCES SCRUTINY COMMITTEE TO BE HELD ON
1 March 2024**

Agenda Item	Background	Reason for report
		<p>What is Scrutiny being asked to do? <i>e.g. undertake a full review of the subject? Investigate different policy options? Be consulted on final proposals before decision making? Monitor outcomes /implementation?</i></p> <p><i>If the item is for information or for noting, can the information be provided in an alternative format i.e, via email?</i></p>
Quarterly Treasury Management and Prudential Indicator Report 1st April 2023 to 31st December 2023	This is a standard quarterly update in relation to Treasury Management	The Revised CIPFA Treasury Management Code of Practice 2017 stipulates that there should be regular reporting to Members and Member scrutiny of the treasury policies. The Corporate Performance and Resources Scrutiny Committee is responsible for ensuring this effective scrutiny of the treasury management strategy and policies.
Revenue & Capital Budget Monitoring Report 2023/24 (April – December)	This is a standard item which allows members to undertake their monitoring role of the departmental and corporate budgets.	The Committee is being requested to scrutinise the budget information
Corp Perf & Resources & Resources Scrutiny Committee Actions and Referrals Update	These quarterly updates provide details on progress made in relation to actions and requests which arose at previous meetings.	To enable the Committee to scrutinise progress made in relation to actions and requests arising from previous meetings.
Quarter 3 performance management report	This is a standard item which allows members to undertake their monitoring role relevant to this scrutiny and make recommendations, comments	To enable the Committee to monitor performance, see how it is managed and appropriate interventions implemented

	or advice to the Cabinet Member and/or Director.	

Items attached for information

1. The latest version of the Corporate Performance & Resources Scrutiny Committee Forward Work Programme 2023/24
2. The latest version of the Cabinet's Forward Work Programme 2023/24

Corporate Performance & Resources Scrutiny Committee – Forward Work Programme 2023/24

3 rd May 2023	16 th June 2023	19 th July 2023	18 th October 2023	12 th December 2023	31 st January 2024	1 st March 2024	17 th April, 2024
Corporate Performance & Resources Scrutiny Committee Forward Work Plan for 2023/24	Carmarthenshire Well-Being Plan Annual Report 2022-23 & PSB Update	Strategic Equality Plan Annual Report 2022-23	Carmarthenshire County Council's Annual Report for 2022/23	Sickness Absence Monitoring Report - Half Year Q2 2023/24	Revenue Budget Strategy Consultation 2024/25 to 2026/27	Quarterly Treasury Management and Prudential Indicator Report 1st April 2023 to 31st December 2023	Revenue & Capital Budget Monitoring Report 2023/24 (April – December)
Chief Executive's Departmental Business Plan 2023/24.	Sickness Absence Monitoring Report - end of year 2022/23	Annual Report on the Welsh Language 2022-23	Revenue Budget Outturn Report 2022/23	TIC Annual Report 22/23	Five Year Capital Programme 2024/25 - 2028/29	Revenue & Capital Budget Monitoring Report 2023/24 (April – December)	
Corporate Services Departmental Business Plan 2023/24.	Corp Perf & Resources Scrutiny Committee Annual Report 2022/23	Annual Treasury Management and Prudential Indicator Report 2022-2023	Revenue & Capital Budget Monitoring Report 2023/24 (April-June)	Revenue & Capital Budget Monitoring Report 2023/24 (April – August)	Treasury Management Policy & Strategy 2024/25	Corp Perf & Resources & Resources Scrutiny Committee Actions and Referrals Update	
Environment Departmental Business Plan 2023/24	Corp Perf & Resources Scrutiny Committee Actions and Referrals update	Digital Schools Strategy Annual Report 2023	Quarterly Treasury Management and Prudential Indicator Report 1st April 2023 to 30th June 2023	Mid-Year Treasury Management and Prudential Indicator Report 1st April 2023 to 30th September 2023	Revenue and Capital Budget Monitoring Report 2023/24 (April - October)	Quarter 3 performance management report	
Tudalen 169	Annual Digital Transformation Strategy Report	May 2023 PSB minutes	July 2023 PSB minutes	Corp Perf & Resources Scrutiny Committee Actions and Referrals Update	November 2023 PSB minutes		
	Annual Digital Technology Strategy Report		Quarter 1 performance management report	September 2023 PSB minutes			

Corporate Performance & Resources Scrutiny Committee – Forward Work Programme 2023/24

				Quarter 2 performance management report			
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Eitem Rhif 10

**PWYLLGOR CRAFFU PERFFORMIAD AC ADNODDAU
CORFFORAETHOL**

Dydd Mawrth, 12 Rhagfyr 2023

YN BRESENNOL (Yn y Siambr): Y Cynghorydd A.G. Morgan (Cadeirydd)

Cynghorwyr (Yn Rhithwir):

K.V. Broom, T. Davies, D. Jones, M. James (eilydd), T. Evans (eilydd)

Cynghorwyr (Yn y Siambr):

D. Cundy, A. Evans, D. Nicholas

Hefyd yn bresennol (Yn y Siambr):

Y Cynghorydd D. Price – yr Arweinydd

Y Cynghorydd Alun Lenny - yr Aelod Cabinet dros Adnoddau

Roedd y swyddogion canlynol yn bresennol (Yn y Siambr):

G. Ayers, Rheolwr Polisi Corfforaethol a Phartneriaeth;

A. Clarke, Rheolwr Adnoddau Dynol (Partneriaeth Busnes);

N. Evans, Rheolwr Cymorth Busnes;

H. Font, Rheolwr Llesiant Gweithwyr;

D Hockenfull, Rheolwr Marchnata a'r Cyfryngau;

L. Rees Jones, Pennaeth Gweinyddiaeth a'r Gyfraith;

G. Jones, Prif Swyddog Digidol;

J. Owen, Rheolwr Rhaglen TIC;

A. Parnell, Rheolwr y Trysorlys a Buddsoddi;

P. Thomas, y Prif Weithredwr Cynorthwyol

T. Thomas, Pen-swyddog Busnes a Datblygu;

S. Walters, Rheolwr Datblygu Economaidd;

K. Evans, Swyddog Gwasanaethau Democrataidd;

E. Evans, Pen-swyddog Gwasanaethau Democrataidd;

S. Rees, Cyfieithydd ar y Pryd.

Y swyddogion a oedd hefyd yn bresennol (Yn Rhithwir):

D. Hall-Jones, Swyddog Cymorth i'r Aelodau;

M. Runeckles, Swyddog Cymorth i'r Aelodau;

K Thomas, Swyddog Gwasanaethau Democrataidd

Siambr – Neuadd y Sir, Caerfyrddin ac o bell - 10.00 yb - 12.32 yp

1. YMDDIHEURIADAU AM ABSENOLDEB

Derbyniwyd ymddiheuriadau am absenoldeb gan y Cynghorydd D Harries, G. John, J. Lewis. Hefyd derbyniwyd ymddiheuriadau gan yr Aelod Cabinet, y Cynghorydd P. Hughes.

2. DATGANIADAU O FUDDIANNAU PERSONOL GAN GYNNWYS UNRHYW CHWIPIAU PLEIDIAU A RODDIR MEWN YMATEB I UNRHYW EITEM AR YR AGENDA

Y Cyngorydd	Rhif y Cofnod	Y Math o Fuddiant
A. Evans	4. Adroddiad Monitro Absenoldeb Salwch - Adroddiad Diwedd Blwyddyn - 2022/23 a Chwarter 2 2023/24	Personol a Rhagfarnol - Mae aelod o'r teulu yn gweithio yn yr adain Gwasanaethau Democrataidd
A. Evans	6. Adroddiad Monitro'r Gyllideb Refeniw a'r Gyllideb Gyfalaf 2023/2024	Rhagfarnol - Mae aelod o'r teulu'n gweithio i'r adain Gwasanaethau Democrataidd
A. Evans	10. Chwarter 2 2023/24 - Adroddiad Perfformiad (01/04/2023 - 30/09/2023 - sy'n berthnasol i'r maes craffu hwn	Personol a Rhagfarnol - Mae aelod o'r teulu'n gweithio i'r adain Gwasanaethau Democrataidd

Ni chafwyd dim datganiadau ynghylch unrhyw chwip waharddedig

3. CWESTIYNAU GAN Y CYHOEDD (NID OEDD DIM WEDI DOD I LAW)

Nid oedd cwestiynau gan y cyhoedd wedi dod i law.

4. ADRODDIAD MONITRO ABSENOLDEB SALWCH - ADRODDIAD DIWEDD BLWYDDYN - 2022/23 A CHWARTER 2 2023/24

[SYLWER: Gan ei fod wedi datgan budd personol a rhagfarnol yn y mater hwn yn gynharach, nid oedd y Cyngorydd A. Evans yn bresennol yn y cyfarfod]

Bu'r Pwyllgor yn ystyried adroddiad a oedd yn rhoi data am absenoldeb salwch ar gyfer y cyfnod cronnol sy'n dod i ben ar 31 Mawrth 2023 ynghyd â Chwarter 2 2023/24 gyda throsolwg o'r cymorth llesiant gweithwyr a ddarparwyd.

Roedd y canlynol ymhlith y materion a godwyd ynghylch yr adroddiad:

- Dywedodd y Rheolwr Adnoddau Dynol (Partneriaeth Busnes) wrth y Pwyllgor fod gweithio hybrid, yn ddull o weithio gartref ac mewn gwahanol leoliadau ar draws y Sir, yn amodol ar ystyriaethau o ran cyflawni gwasanaethau. Er nad yw trefniadau gweithio hybrid o fudd i staff gweithredol, gallent ofyn am i opsiynau gwaith gwahanol gael eu hystyried.
- Rhoddwyd gwybod i'r aelodau fod staff wedi cymryd 11.55 o ddiwrnodau salwch ar gyfartaledd yn 2022-23, sef bron i ddau ddiwrnod yn fwy na tharged y Cyngor o 10.65, a'r rhesymau mwyaf dros absenoldeb oedd materion yn ymwneud â straen ac iechyd meddwl, gyda rhai ffactorau y tu allan i'r gwaith hefyd yn cyfrannu at hyn.
- Rhoddwyd gwybod i'r Aelodau, oherwydd amseroedd aros hir yn y GIG, fod meddygon teulu yn cynghori cleientiaid i ofyn am help trwy wasanaethau lechyd Galwedigaethol eu cyflogwyr.
- O ran lechyd Galwedigaethol a'r gofynion ar y gwasanaeth, nodwyd y bydd achos busnes yn cael ei drafod gyda'r Prif Weithredwr i ddarparu Rheolwr

Masnachol, ac fel un o'r prosiectau allweddol, bydd yn gweithio gyda'r tîm lechyd Galwedigaethol i edrych ar ffyrdd o fasnacheiddio'r busnes. Bydd canlyniad yr achos busnes yn cael ei adrodd yn ôl i'r Pwyllgor.

- Eglurodd y Rheolwr Llesiant Gweithwyr fod tri Chydlynnydd lechyd a Llesiant yn cael eu cyflogi ar draws yr Awdurdod ac yn gweithio gydag adrannau i ddarparu ymyriadau pwrpasol, fel rhan o gynlluniau gweithredu'r adran i reoli presenoldeb. Hefyd mae grwpiau iechyd a llesiant allweddol ar gael sy'n cael eu cefnogi gan y cydlynwyr.
- Nodwyd bod gostyngiad wedi bod o ran nifer y problemau cyhyrsgerbydol y rhoddir gwybod amdanynt. Hyfforddiant ar godi a chario ar gyfer gweithwyr allweddol ac asesiadau o gyfarpar oedd rhai o'r meysydd a oedd yn cynorthwyo i gadw staff yn ddiogel mewn amgylchedd gwaith. Roedd gwasanaeth ffisiotherapi ar gael i'r staff drwy'r Uned lechyd Galwedigaethol.
- Roedd cynnydd o 50% o ran nifer yr atgyfeiriadau ar gyfer cymorth iechyd meddwl y rhodddwyd gwybod amdanynt yn ystod y cyfnod diwethaf. Nodwyd bod 8 ymarferydd lechyd Meddwl o fewn yr Uned lechyd Galwedigaethol.
- Nododd y Pwyllgor fod gwelliant o ran absenoldeb salwch mewn ysgolion cynradd yn ystod y flwyddyn ddiwethaf. Rhodddwyd gwybod i'r Pwyllgor fod absenoldeb salwch yn cael ei reoli gan y Pennaeth. Mae'r Cynllun Absenoldeb Staff Ysgolion a sefydlwyd yn fewnol yn darparu cymorth ariannol i ysgolion sy'n aelodau er mwyn talu costau staff asiantaeth sydd eu hangen i gyflenwi yn ystod absenoldebau salwch. Os nad yw ysgolion yn dilyn y gweithdrefnau absenoldeb cywir, mae'r cyfraniad yn cael ei wrthod.
- Dywedodd y Prif Weithredwr Cynorthwyol wrth y grŵp fod y nifer a oedd wedi cymryd rhan yn yr arolwg staff diweddar yn isel. Bellach roedd y data'n cael ei ystyried i roi arweiniad i staff ar weithio hybrid yn y dyfodol.
- Cafodd aelodau wybod bod yr Awdurdod wedi cyflawni Achrediad Aur yn ddiweddar yn dilyn adroddiad gan asesydd gan Fuddsoddwyr Mewn Pobl oedd yn adlewyrchiad o'r gefnogaeth a roddodd i'w weithwyr;

Diolchodd y Cadeirydd i'r swyddogion am y cymorth a roddir i'r staff.

PENDERFYNWYD YN UNFRYDOL:

4.1 bod yr adroddiad yn cael ei dderbyn.

4.2 bod y Pwyllgor yn cymeradwyo'r achos busnes dros greu swydd Rheolwr Masnachol i helpu i ddatblygu mentrau creu incwm yn y Dyfodol.

4.3 bod y Pwyllgor yn cael adroddiad diwedd blwyddyn.

5. RHAGLEN DRAWSNEWID - ADRODDIAD CYNNYDD

Bu'r Pwyllgor yn ystyried adroddiad yn adolygu dull yr Awdurdod o drawsnewid a sicrhau bod y rhaglen yn cyd-fynd â nodau ac amcanion y Strategaeth Gorfforaethol newydd. Cafodd y Strategaeth Drawsnewid ei hadrodd i'r Cabinet ym mis Chwefror 2023. Dyma'r 8 blaenoriaeth thematig sydd wedi'u cynnwys yn y Strategaeth Drawsnewid:

- Arbedion a Gwerth am Arian
- Incwm a Masnacheiddio
- Cynllunio a Gwella Gwasanaethau

- Y Gweithlu
- Y Gweithle
- Cwsmeriaid a Digidol
- Datgarboneiddio
- Ysgolion

Roedd y canlynol ymhlith y materion a godwyd ynghylch yr adroddiad:

- Nododd y Pwyllgor fod cyn-Bennaeth Ysgol Uwchradd Bryngwyn wedi ymuno â'r adran Addysg yn ddiweddar, i rannu arferion da o ran rheoli cyllidebau, er mwyn sicrhau nad oes gan ysgolion ddiffyg ariannol.

PENDERFYNWYD YN UNFRYDOL dderbyn yr adroddiad.

6. ADRODDIAD MONITRO CYLLIDEB CYFALAF A REFENIW 2023/24

[SYLWER: Bu i'r Cynghorydd A. Evans, a oedd wedi datgan buddiant yn yr eitem hon yn gynharach, aros yn y cyfarfod wrth i'r Pwyllgor ei hystyried a phleidleisio arni.]

Cyflwynodd yr Aelod Cabinet dros Adnoddau Adroddiad Monitro Cyllideb Gorfforaethol yr Awdurdod ac adroddiadau adrannol y Prif Weithredwr a'r Gwasanaethau Corfforaethol fel yr oeddent ar 31 Awst 2023 mewn perthynas â blwyddyn ariannol 2023/24. Roedd yr adroddiad hefyd yn cynnwys atodiad a oedd yn nodi adroddiad Monitro Arbedion ar 31 Awst 2023.

Yn gyffredinol, roedd yr adroddiad monitro yn rhagweld gorwariant ar gyfer y flwyddyn ar lefel adrannol o £8,730k ac yn rhagweld gorwariant o £6,098k ar gyllideb refeniw net yr Awdurdod.

PENDERFYNWYD YN UNFRYDOL dderbyn yr adroddiad.

7. ADRODDIAD CHWARTEROL YNGYLCH RHEOLI'R TRYSORLYS A DANGOSYDD DARBODAETH EBRILL 1AF 2023 I MEDI 30AIN 2023

Bu'r Pwyllgor yn ystyried yr Adroddiad Canol Blwyddyn ynghylch Dangosyddion Darbodaeth a Rheoli'r Trysorlys am y cyfnod rhwng 1 Ebrill 2023 a 30 Medi 2023 i sicrhau bod y gweithgareddau a wnaed yn gyson â gofynion Polisi a Strategaeth Rheoli'r Trysorlys ar gyfer 2023-24 a gymeradwywyd gan y Cyngor ar 1 Mawrth, 2023.

Cyfanswm y llog gros cyfartalog a gafwyd ar fuddsoddiadau ar gyfer y cyfnod oedd £4.63m. Mae hyn yn cynnwys llog o £859k ar y balans cyfartalog o £39m a gedwir ar gyfer rhanbarth Bargen Ddinesig Bae Abertawe.

Diolchodd y Pwyllgor i'r swyddogion am ychwanegu rhestr termau at yr adroddiad.

PENDERFYNWYD YN UNFRYDOL dderbyn yr adroddiad.

8. DIWEDDARIAD AR GAMAU GWEITHREDU Y PWYLLGOR CRAFFU

Cafodd y Pwyllgor adroddiad a oedd yn nodi'r cynnydd a wnaed mewn perthynas â cheisiadau neu atgyfeiriadau a oedd wedi deillio o gyfarfodydd blaenorol y Pwyllgor Craffu Polisi ac Adnoddau Corfforaethol yn ystod blwyddyn y cyngor 2023/24.

PENDERFYNWYD YN UNFRYDOL nodi'r adroddiad a fanylai ar y cynnydd o ran y camau gweithredu, y ceisiadau, neu'r atgyfeiriadau oedd wedi deillio o gyfarfodydd blaenorol y Pwyllgor Craffu.

9. COFNODION BWRDD GWASANAETHAU CYHOEDDUS (PSB) SIR GAR - HYDREF 2023

Bu'r Pwyllgor yn ystyried cofnodion cyfarfod Bwrdd Gwasanaethau Cyhoeddus Sir Gaerfyrddin a gynhaliwyd ar 3 Hydref, 2023. Roedd Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 yn ei gwneud yn ofynnol bod pwyllgor craffu llywodraeth leol dynodedig yn cael ei benodi i graffu ar waith y Bwrdd Gwasanaethau Cyhoeddus. Yn Sir Gaerfyrddin, penodwyd Pwyllgor Craffu – Perfformiad Corfforaethol ac Adnoddau y Cyngor fel y Pwyllgor Craffu perthnasol.

Roedd y canlynol ymhlith y materion a godwyd wrth ystyried yr adroddiad/Cynlluniau:

- Mewn ymateb i ymholiad, dywedodd yr Arweinydd fod Grwpiau Gorchwyl a Gorffen wedi'u sefydlu i ddod o hyd i atebion. Dywedodd fod yr amcanion bellach yn gysylltiedig â'r Amcanion Llesiant.

PENDERFYNWYD YN UNFRYDOL dderbyn cofnodion cyfarfod y Bwrdd Gwasanaethau Cyhoeddus a gynhaliwyd ar 3 Hydref, 2023.

10. ADRODDIAD PERFFORMIAD CWARTER 2 - 2023/24 (01/04/2023-30/09/2023) YN BRIODOL I'R PWYLLGOR CRAFFU HWN

[SYLWER: Bu i'r Cyngorydd A. Evans, a oedd wedi datgan buddiant yn yr eitem hon yn gynharach, aros yn y cyfarfod wrth i'r Pwyllgor ei hystyried a phleidleisio arni.]

Bu'r Pwyllgor yn ystyried adroddiad at ddibenion monitro, ar Chwarter 2 - 2023/24. ynghylch y Camau Gweithredu a'r Mesurau oedd yn gysylltiedig â Strategaeth Gorfforaethol ac Amcanion Llesiant yr Awdurdod.

Roedd y canlynol ymhlith y materion a'r ymholiadau a godwyd ynghylch yr adroddiad:

- Mewn ymateb i ymholiad cadarnhaodd y Rheolwr Polisi Corfforaethol a Phartneriaeth nad oedd y targed ar gyfer cwynion o fewn y dyddiad cau statudol wedi'i gyrraedd, oherwydd bod bron dwbl nifer y cwynion wedi'u cofnodi eleni o'i gymharu â'r llynedd.

- Nodwyd y byddai gwybodaeth yn cael ei darparu i'r Pwyllgor ynghylch sut y cyflawnir y targed o ran canran perfformiad mewn perthynas â tharged i gynhyrchu derbyniadau cyfalaf i gefnogi'r rhaglen gyfalaf.
- Nodwyd y byddai gwybodaeth yn cael ei darparu i'r Pwyllgor ynghylch sut y bydd gwelliant yn cael ei sicrhau, gyda chanran y gwaith atgyweirio ymatebol o ran adeiladau eraill a gwblhawyd o fewn y targed.
- Cadarnhaodd y Prif Weithredwr Cynorthwyol y bydd y system Rheoli Dysgu newydd yn gwella monitro hyfforddiant e-ddysgu a gyflawnir gan staff.
- Mewn ymateb i sylw, dywedodd y Prif Swyddog Digidol fod gan yr Awdurdod ystad dda o liniaduron ers Covid ac y byddai'n darparu ffigyrau o ran gweithwyr sydd â chanran o liniaduron gyda 4GB o gof neu lai.

PENDERFYNWYD YN UNFRYDOL dderbyn yr adroddiad.

11. EITEMAU AR GYFER Y DYFODOL

12. LLOFNODI YN GOFNOD CYWIR GOFNODION Y PWYLLGOR A GYNHALIWYD AR 18 HYDREF 2023

PENDERFYNWYD llofnodi bod cofnodion y cyfarfod a gynhaliwyd ar 18 Hydref 2023 yn gofnod cywir.

CADEIRYDD

DYDDIAD