

Pecyn Dogfennau



sirgar.llyw.cymru
carmarthenshire.gov.wales

DYDD MAWRTH, 15 CHWEFROR 2022

AT: HOLL AELODAU'R CABINET

YR WYF DRWY HYN YN EICH GALW I FYNYCHU RHITH-GYFARFOD O'R **CABINET** AM **10.00 YB, DYDD LLUN, 21AIN CHWEFROR, 2022** ER MWYN CYFLAWNI'R MATERION A AMLINELLIR AR YR AGENDA SYDD YNGHLWM

Wendy Walters

PRIF WEITHREDWR

Swyddog Democrataidd:	Emma Bryer
Ffôn (llinell uniongyrchol):	01267 224029
E-bost:	ebryer@sirgar.gov.uk

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

Y CABINET

AELODAETH - 9 AELOD

Cynghorydd	Portffolio
Cynghorydd Emlyn Dole	Arweinydd Arweinyddiaeth a Strategaeth Gorfforaethol; Cadeirydd y Cabinet; Cynrychioli'r Cyngor ar CLILC; Datblygu Economaidd; Yn cynrychioli'r Cyngor ar Ranbarth Dinas Bae Abertawe; Cydweithio; Marchnata a'r Cyfryngau; Penodi Aelodau o'r Cabinet; Penderfynu ar bortffolios AC; Cyswllt â'r Prif Weithredwr; Bwrdd Gwasanaethau Cyhoeddus; Cynllunio strategol Corfforaethol
Cynghorydd Glynog Davies	Addysg a Phlant Ysgolion; Gwasanaethau Plant; Anghenion Addysgol Arbennig; Diogelu; Cartrefi Seibiant; Gwasanaeth Gwella Ysgolion Integredig Rhanbarthol; Dysgu Oedolion yn y Gymuned; Gwasanaethau Ieuenctid; Gwasanaethau Arlwy Ysgolion, Aelod Arweiniol dros Blant a Phobl Ifanc; Llysgennad Ieuenctid; T.G.Ch;
Cynghorydd Ann Davies	Cymunedau a Materion Gwledig Materion Gwledig ac Ymgysylltu â'r Gymuned; Diogelwch Cymunedol; Yr Heddlu; Deddf Gwrthderfysgaeth a Diogelwch 2015; Trechu Tlodi; Llesiant Cenedlaethau'r Dyfodol; Cyswllt y Trydydd Sector; Cydraddoldeb, Strategaeth Newid yn yr Hinsawdd.
Cynghorydd Hazel Evans	Amgylchedd Sbwriel; Glanhau Strydoedd; Gwasanaethau Priffyrdd a Thrafnidiaeth; Cynnal a Chadw Tiroedd; Gwasanaethau Adeiladu (ac eithrio'r stoc dai); Cynlluniau Argyfwng; Llifogydd, Hawliau Tramwy Cyhoeddus, Rheolwr Busnes y Cyngor.
Cynghorydd Linda Evans	Tai Tai - Cyhoeddus; Tai - Preifat; Cynnal a Chadw ac Atgyweirio Tai, a Heneiddio'n dda; Archwilio Cymru;
Cynghorydd Peter Hughes Griffiths	Diwylliant, Chwaraeon a Thwristiaeth Llysgennad Cynghorau Tref a Chymuned; Datblygu'r Iaith Gymraeg; Theatrau; Chwaraeon; Canolfannau Hamdden; Amgueddfeydd; Llyfrgelloedd; Parciau Gwledig; Twristiaeth; T.I.C
Cynghorydd Philip Hughes	Diogelu'r Cyhoedd Safonau Masnach; Iechyd yr Amgylchedd. Gorfodaeth Amgylcheddol; Gorfodaeth Cynllunio; Gwastraff Didrwydded; Gwasanaethau Parcio; Bio amrywiaeth; Adnoddau Dynol; Rheoli Perfformiad; Hyfforddiant.
Cynghorydd David Jenkins	Adnoddau Cyllid a'r Gyllideb; Effeithlonrwydd Corfforaethol; Rheoli Eiddo / Asedau; Gofalu am Adeiladau a Glanhau Adeiladau; Caffael; Budd-daliadau Tai; Refeniw; Gwasanaethau Statudol (Crwneriaid, Cofrestryddion, Etholiadol, Arglwydd Rhaglaw); Hyrwyddwr y Lluoedd Arfog; Canolfannau Cyswllt a Chanolfannau Gwasanaethau Cwsmeriaid; Polisi Cynllunio
Cynghorydd Jane Tremlett	Dirprwy Arweinydd / Gofal Cymdeithasol ac Iechyd Gwasanaethau Cymdeithasol i Oedolion; Gofal Preswyl; Gofal Cartref; Anableddau Dysgu; Iechyd Meddwl; Cyswllt / Cydweithio / Integreiddio â'r GIG; Gwasanaethau Arlwy Cartefi Gofal, Pencampwr Gofalwyr; Llysgennad Anabledd; Pencampwr Gofal Dementia

AGENDA

1. YMDDIHEURIADAU AM ABSENOLDEB
2. DATGANIADAU O FUDDIANNAU PERSONOL
3. CWESTIYNAU Â RHYBUDD GAN YR AELODAU
4. CWESTIYNAU A RHYBYDD GAN Y CYHOEDD
5. STRATEGAETH CYLLIDEB REFENIW 2022/23 I 2024/25 5 - 78
6. RHAGLEN GYFALAF PUM MLYNEDD (CRONFA'R CYNGOR) - 2022/23 - 2026/27 79 - 112
7. CYLLIDEB Y CYFRIF REFENIW TAI (REFENIW A CYFALAF) A PHENNU RHENTI TAI AR GYFER 2022/23 113 - 136
8. CYNLLUN BUSNES Y CYFRIF REFENIW TAI 2022-25 RHAGLEN BUDDSODDI MEWN TAI SIR GAERFYRDDIN 137 - 204
9. POLISI RHEOLI'R TRYSORLYS A STRATEGAETH 2022-23 205 - 254
10. POLISI CYFLOGAU ATHRAWON ENGHREIFFTIOL 2021/22 255 - 298
11. UNRHYW FATER ARALL Y GALL Y CADEIRYDD OHERWYDD AMGYLCHIADAU ARBENNIG BENDERFYNU EI YSTYRIED YN FATER BRYN YN UNOL AG ADRAN 100B(4)(B) O DDEDDF LLYWODRAETH LEOL, 1972.

Mae'r dudalen hon yn wag yn fwriadol

Y CABINET

21 CHWEFROR 2022

STRATEGAETH CYLLIDEB REFENIW 2022/23 i 2024/25

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

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

- a) Strategaeth y Gyllideb am 2022/23;
- b) Y Dreth Gyngor am 2022/23 (Band D);
- c) Dileu cynigion arbedion penodol fel y nodir ym mharagraff 3.2.5 o'r adroddiad;
- d) Y newidiadau i'r gyllideb fel y'u crynhoir ym mharagraff 4.1.4 o'r adroddiad gan ystyried yr ystod o ymatebion a gafwyd yn ystod y broses ymgynghori a'r pwysau ychwanegol fel y nodwyd yn yr adroddiad; ac
- e) Y cynllun ariannol tymor canolig a fydd yn sail ar gyfer cynllunio yn y dyfodol

2. Bod y Cabinet yn dirprwyo i Gyfarwyddwr y Gwasanaethau Corfforaethol, mewn ymgynghoriad â'r Prif Weithredwr, yr Arweinydd a'r Aelod Cabinet dros Adnoddau i wneud unrhyw newidiadau sy'n angenrheidiol o ganlyniad i setliad terfynol Llywodraeth Cymru ar 1 Mawrth 2022

Y Rhesymau:

Galluogi'r Awdurdod i bennu ei Gyllideb Refeniw ar gyfer Cronfa'r Cyngor ac, yn sgil hynny, y Dreth Gyngor am 2022/23.

Angen ymgynghori â'r pwyllgor craffu perthnasol: NAC OES

Angen i'r Cabinet wneud penderfyniad OES
Angen i'r Cyngor wneud penderfyniad OES

YR AELOD CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:-
Y Cyngorydd David Jenkins – yr Aelod Cabinet dros Adnoddau

Cyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw Pennaeth Gwasanaeth:
Randal Hemingway

Awdur yr adroddiad:
Randal Hemingway

Swydd:

Pennaeth y Gwasanaethau
Ariannol

Rhif Ffôn:

Cyfeiriad e-bost:

rhemingway@sirgar.gov.uk

**EXECUTIVE SUMMARY
CABINET
21st February 2022**

REVENUE BUDGET STRATEGY 2022/23 TO 2024/25

This report brings together the latest proposals for the Revenue Budget 2022/23 with indicative figures for the 2023/24 and 2024/25 financial years.

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

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

Documents Attached:

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

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
YES	NONE	YES	NONE	NONE	NONE	NONE

1. Policy, Crime & Disorder and Equalities

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

3.Finance

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

- Proposed Net County Council Budget of £416.079m
- Proposed Council Tax increase of 2.50% for 2022/23 – Band D of £1,396.04

CONSULTATIONS

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

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

1. Scrutiny Committee

Consultation with all Scrutiny committees undertaken.

2. Local Member(s)

Not Applicable

3. Community / Town Council

Consultation with the Town & Community Council Forum undertaken

4. Relevant Partners

Consultation with relevant partners will be undertaken

5. Staff Side Representatives and other Organisations

Consultation with Representatives undertaken

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

YES

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

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2021/2022 3 year Revenue Budget		Corporate Services Department, County Hall, Carmarthen
2020/2021 3 year Revenue Budget		Corporate Services Department, County Hall, Carmarthen
WG Provisional Settlement		Corporate Services Department, County Hall, Carmarthen

Mae'r dudalen hon yn wag yn fwriadol

REPORT OF DIRECTOR OF CORPORATE SERVICES

Cabinet

21st February 2022

REVENUE BUDGET STRATEGY 2022/23 to 2024/25

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

1. INTRODUCTION

1.1. The Cabinet in January 2022 considered and endorsed the Revenue Budget Strategy 2022/23 to 2024/25 for consultation. The report indicated, after taking account of the provisional settlement, a council tax increase of 4.39%. The Cabinet, in endorsing the report for consultation resolved that

‘the 2022/23 to 2024/25 budget strategy be approved as a basis for consultation, specifically seeking comments from consultees on the efficiency proposals detailed in Appendix A to the report’.

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

- Budget Consultation Results
- The Medium Term Spending Plans
- Implication and proposal on the Council tax for 2022/2023.

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

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

- 1.4. The Cabinet needs to consider these detailed proposals and make recommendations to County Council in accordance with Council policy.
- 1.5. The provisional settlement was more favourable than expected, however the scale of uncertainty facing local authorities, as outlined in this report is such that local government financing remains on a precarious footing. Yet again, decisions have had to be made in respect of prioritisation of services and the inclusion of further budget reductions in order to achieve what hopefully is an acceptable Council Tax increase.

2. CONSULTATION

- 2.1. The original proposals have been subjected to a consultation exercise since the Budget Strategy reports were presented to the Cabinet on the 17th January 2022, with the groups and committees being invited to comment in the following manner:-

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

Whilst consultation has been as broad as possible, the timeline constraints have inevitably impacted upon the level of response. In particular, it has only been possible for the public consultation to be open for responses for some three weeks, versus a normal expectation of at least six weeks.

A detailed report on the consultation results for each of the above is attached at **Appendix A**.

3. BUDGET REQUIREMENT 2022/23

3.1. Current Year Performance (2021/22) and Covid-19 Impact

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

3.1.2. The current projection for the Revenue Outturn for 2021/22 (based on the October 2021 monitoring) is as follows:

Service	Approved Budget £'000	Total Expenditure Forecast £'000	Variance Forecast For Year £'000
Chief Executive	16,740	16,192	-548
Communities	108,104	108,273	169
Corporate Services	29,556	28,664	-892
Education and Children's Services	179,660	179,660	0
Environment	61,390	60,936	-454
Departmental Expenditure	395,451	393,725	-1,726
Cont from Dept/Earmarked Reserves			0
Capital Charges	-20,155	-20,655	-500
Decarbonisation contribution to capital	0	500	500
Levies and Contributions	10,889	10,889	0
Transfer to/ from Reserves	0	946	946
Net Expenditure	386,185	385,406	-779

The main reasons for the departmental variances are as follows:

- Education and Children's Services: the department's core budget is currently forecasting to break even for the year, however schools working budgets are forecasting to utilise £4.7m of their reserves in the current year.
- Communities Department: underspends in Older People's budgets offset by overspends in Learning Disabilities division. Without the support of the Covid Hardship Fund, the overspend would be significantly higher.
- Corporate Services: Underspends on pre Local Government Reorganisation pension costs, Rent Allowances, and Housing Benefit Administration, partially offset by a forecast increase in demand for Council Tax Reduction Scheme.
- Environment Department: Above target income on Property Maintenance and Planning service underspends, partially offset by increased demand and supplier costs in school transport.

3.1.3. In planning for next year's budget, the single greatest financial risk is the additional costs and sustained income arising from the COVID-19 pandemic. For the last two years, the Welsh Government hardship scheme has provided an invaluable lifeline, against which Carmarthenshire has claimed in excess of £50 million – the lion's share of which has been for social care,

but this also covers isolation payments, schools cleaning, free school meal payments and myriad other impacts across the whole gamut of council services. This is due to cease on 31 March 2022, leaving uncertainty over both the scale of any ongoing costs or how long reduced demand for income generating services may persist. The speed and scale of the spread of the Omicron variant was a timely reminder of this.

- 3.1.4. Based on this outlook, the budget strategy provides a total of £3.5million across the council as follows:

Social Care	£0.5m
Additional Expenditure	£2.0m
Income Loss	£1.0m
Total	£3.5m

These allocations will remain under review during the financial year and will be adjusted accordingly if required.

The true pressure on social care budgets has been masked in the current year budgets due to the combination of the additional funding provided through both the hardship scheme and WG winter pressures funding, combined with the staffing challenges.

The last two years has placed an extraordinary pressure upon the social care workforce, and the impact of Brexit on leisure and hospitality has improved terms and conditions in those sectors, attracting workers away from social care.

Validation

- 3.1.5. 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.
- 3.1.6. Recorded CPI inflation, currently 5.4%, has increased month on month during 2021 as is forecast to rise further during 2022 as increased vaccination rates have allowed gradual unlocking of the world economy. The Bank of England's latest forecast is for it to peak at over 7% in the coming months and then reduce. Given the scale of current uncertainty, the inflation factors for 2022/23 were increased to 4% in the draft budget and have been retained at the same level. This provides departments with

an element of protection against price movements. The proposed validation factors are detailed below:

	<u>2022/23</u>	2022/23	2023/24	2024/25
	<u>Original</u>	Proposed		
General inflation - Expenditure	2.5%	4.0%	3.0%	2.5%
General inflation - Income	2.5%	2.5%	2.5%	2.5%
Electricity*	2.5%	16.0%	5.0%	5.0%
Gas*	2.5%	16.0%	5.0%	5.0%
Fuel	5.0%	5.0%	5.0%	5.0%
Pay Inflation - non teaching	2.5%	4.0%	2.5%	2.5%
Pay Inflation - Teaching*	2.5%	4.0%	2.5%	2.5%
Levies	2.9%	4.04%	2.5%	2.5%
Pension Contributions	nil	nil	nil	nil
Capital Charges	£500k	£400k	£500k	£500k

*explicitly recognised in growth pressures due to extraordinary scale

- 3.1.7. When considering changes to the final budget, members should note that the 4% validation is applied to expenditure but the income increases have been restricted to 2.5%, recognising pressure on household finances.
- 3.1.8. The capital charges estimate reflects the current policy and the 5 year Capital Programme elsewhere on the agenda, including the continued delivery of the Council’s Modernising Education Programme as well as significant investment in the coming years as part of the Swansea Bay City Region. The increase allowed for in 2022/23 has been reduced by £100k from the budget strategy papers. This reflects both the significant slippage from 2021/22 and sustainable low borrowing rates, but allows sufficient borrowing headroom to expand the highways capital investment by £1.4m, which recognises significant concerns expressed by members in the consultation over the cessation of more than £3m of WG annual highways grants.
- 3.1.9. The Swansea Bay City Region is responsible for 9 projects and is reliant upon £241m of UK and Welsh Government Funding. During 2018/19 a joint agreement was approved by all four Local Authorities and a Joint Committee was created. The principle behind the funding structure of the City Deal is that each Local Authority will be required to borrow the value of the funding allocated to their project and the UK and Welsh Government will repay this debt over a period of up to 15 years. The County Council is the Accountable Body for the whole City Deal and also has ownership of four projects: Yr Egin; Pentre Awel (Wellness & Life Science Village); Skills and Talent

programme; and Digital Infrastructure – the last two being regional projects.

Phase 1 of Y Egin project is complete and phase 2 is currently being developed. The Pentre Awel project business case has been approved by both governments and the County Council has appointed a contractor, it is expected that construction will commence on site in 2022/23.

The value of the Pentre Awel project and the funding has been included within the Capital Programme, as the County Council will be required to borrow against these schemes.

3.1.10. In addition to the COVID-19 financial risk, there is significant uncertainty in the budget which relates to pay costs for all council staff. This final budget maintains the budget strategy assumption of a 4% award for both NJC staff and teachers in 2022/23. As was the case last year, the figures presented in Table 1, which is appended to this report include this assumption, while funding will be retained centrally and released to departments as required when negotiations are resolved. This approach will also be applied to school budgets, whilst factoring in the immediate need to provide for the full year effect of the September 2021 teachers pay award.

3.1.11. The National Insurance increase of 1.25% for Employers was included in the draft budget at an estimated £2.7m, pending more detailed calculations on the impact of the minimum threshold. We are now able to reduce this to £2.2m, releasing £500k. There has been an equivalent adjustment for commissioned care as shown in the table at paragraph 3.3.3.

3.1.12. The draft budget provided for an increase in the Fire Levy of 3.24%. This has been increased to 4.04% following an adjustment to the levy to allow for an uplift to the inflation assumptions to 4% and adjustment for the grant shortfall from WG. Funding is provided for a 1% increase to the Brecon Beacons National Park Authority Levy. The increase against draft budget is £120k.

3.1.13. There is a clear risk to the Budget Strategy as departments may find it difficult to manage their expenditure within these parameters, especially where service specific inflationary increases may differ to the global validation rates. This risk is something that will require close monitoring during the year.

3.1.14. In total validation adds £16.2m to the current year's budget.

3.2. **Cost Reduction Programme**

- 3.2.1. As detailed in the report to Cabinet on 17th January 2022, in anticipation of the settlement not being sufficient to cover demand pressures and inflationary factors, significant work in identifying further service efficiencies/ rationalisation proposals had been undertaken and a range of proposals were presented.
- 3.2.2. The current proposals are attached in **Appendix B** and are categorised as follows:
- Managerial – cost reductions that result in no perceivable change to the overall level of service delivery or council policy
- Policy – Efficiency or service rationalisation proposals that will directly affect service delivery (generally frontline).
- 3.2.3. Equality Impact Assessments have been conducted on new policy proposals. These are intended to identify whether these savings could have a disproportionate impact on one or more groups. Where this is the case appropriate consultation with representatives of such groups will be conducted and measures to mitigate the impact will be considered where possible.
- 3.2.4. All ‘existing policy’ proposals have undergone public consultation and Equality Impact Assessments have been prepared in previous years..
- 3.2.5. The cost reductions included in the draft budget strategy were as follows:

	2022/23 £m	2023/24 £m	2024/25 £m
Managerial	3.654	3.358	3.240
Existing Policy	0.070	0.550	0.742
New Policy	0.115	Nil	Nil
Total	3.839	3.908	3.982
Shortfall	Nil	Nil	Nil

Following feedback from the budget consultation activities undertaken, it is recommended that the following savings are removed:

- £15k Reduction to 3rd sector grants
- £95k staffing reduction to ICT
- £62k introduce charges to additional car parks

These proposals have been removed from the detailed list provided in **Appendix B**, giving a revised total for 2022/23 of £3.667m.

3.3. **New Expenditure Pressures**

- 3.3.1. New expenditure pressures are the combination of additional cost to meet existing service needs e.g. increased client base/greater service take up and the costs of meeting change in service provision e.g. policy changes.
- 3.3.2. The draft budget provided £12.5m of funding towards known and unavoidable service pressures as well as an additional £1m COVID-19 expenditure contingency and £1m income loss contingency.
- 3.3.3. Since the draft budget, there are a number of updates to figures based on updated information as follows:

Item	Adjustment	Details
Corporate Joint Committee Levy	£(45)k	£200k was provided in the draft budget pending formal notification from the CJC, which has now been received at £155k
Energy	£(500)k	Crown Commercial Services notified customers that the energy element of our gas and electricity prices could be up to 40% more, with outstanding volumes yet to be purchased at the time of the draft budget. This has now been completed and advance purchases has restricted the increase to approx. 16% increase on total bill
School meals	£190k	We have been notified of significant supplier increases to be implemented from April driven by inflation in wholesale food prices
Social Care Levy – commissioned care	£(194)k	Original calculation has been updated to take account of NI Secondary Threshold
Carmarthen HWB	£200k	Temporary holding costs pending commencement of construction works. As this is a one off cost, it is recommended that this is reserve funded (see para 5.1.3)
Pentre Awel	£250k	Establish a budget for project team
Commercial Estate	£310k	Forecast sustained downturn in rent achievable/longer average void periods
Public rights of Way	£50k	Recommended to provide for pressure in this service area in recognition of members feedback at budget consultation
	£261k	TOTAL INCREASE

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

In addition, members should note the continuation and extension of both the Additional Learning Needs grant, worth c. £800k in 2022/23 to Carmarthenshire as well as the Recruit Recover Raise Standards funding, which we estimate will provide more than £2m in additional funding to schools next year.

3.3.4. As we have begun to move out of the pandemic, the cessation of the furlough scheme has not led to the widespread job losses that were feared. The significant economic recovery package which Carmarthenshire put in place in last years revenue and capital budgets, combined with the significant jobs and prosperity which will be created by our successful Levelling up projects, means that we can release the revenue contribution to capital budget which was provided in last year's budget, which provides £550k of additional headroom.

3.4. Schools Delegated Budgets

3.4.1. The draft budget was constructed on the basis of full funding to schools for known and unavoidable pay, pensions and inflationary increases.

3.4.2. This approach recognises the significant pressure many school budgets are under and the very significant impact the pandemic has had upon learners as well as day to day school life.

3.4.3. With teachers pay representing the largest line item in school budgets, there remains continued financial risk over future pay rises, and the funding required by schools to meet them. The previous Chancellor's aspiration was to raise starting teachers' salaries to £30,000 by 2022/23. It is not clear whether this goal has been dropped or deferred. Next year's budget allows for a 4% award in September 2022.

The Minister for Finance's letter which accompanied the provisional settlement stated that the funding provided includes support for next year's pay award (albeit it was not clear at what level this has been assumed).

4. FUNDING

4.1. Revenue Settlement 2022/23

4.1.1. WG are not due to publish the final local government settlement for 2022/23 until 1st March 2022.

4.1.2. Consequently, this paper is based on information already released (subject to legislative process where applicable) in

relating to specific funding elements as well as officers' assumptions where appropriate. Our working assumption is that WG will make no material change to the headline level of funding.

- 4.1.3. Our draft budget was based on the actual increase of 0.37% to the tax base in 2022/23, increasing budgeted council tax receipts by around £350k when compared to the current year.
- 4.1.4. When added to the contingency sum in the draft budget, the items highlighted in the report create total budget headroom of £1.795m as set out below:

Paragraph		£000s
	Draft budget headroom	757
3.1.8	Capital Charges	100
3.1.11	National Insurance calculation	500
3.1.12	Increased Fire levy	(120)
3.2.5	Removal of budget savings	(172)
3.3.3	Adjustments to pressures	(261)
3.3.4	Economic recovery budget release	550
4.1.8	Freeze to business rates multiplier	241
5.1.3	Current year underspend/ Earmarked reserve funding	200
	Total	£1,795k

Taking account of the budget amendments outlined above responding to individual pressure points and consultation feedback, it is recommended that this sum be applied to Council Tax. The outcome would allow members to reduce the planned increase to 2.5% in response to the clear consultation feedback from the public. This represents less than half of the prevailing level of inflation at this time.

Taking account of any recommendations made by Cabinet, the Director of Corporate Services will need to make any future

changes necessary in consultation with the Chief Executive, the Leader and the Cabinet Member for Resources, following receipt of the Final Settlement information from WG on 1st March.

- 4.1.5. Based on the provisional information, the salient points of next year's settlement are noted below:
- 4.1.6. The draft settlement for 2022/23 gave an increase in Standard Spending Assessment (SSA) for Carmarthenshire of £30.9m (7.9%) with a similar increase on an all Wales basis reflecting the significant pressures the sector is facing.
- 4.1.7. In a break with recent years, indicative figures have been provided for three years, with all-Wales RSG uplifts of 3.5% in 2023/24 and 2.4% in 2024/25. However, as we do not know the assumed increase in SSA, it is not clear what level of pay award, inflation or pressures assumptions underpin these, thus it is hard to judge how generous they are.
- 4.1.8. Welsh Government confirmed in its draft budget on 20th December that Business Rate Poundage is to be frozen at the current rate of 53.5p. As the Authority's own annual liability is c. £6m, this provides a further £241k of headroom against our normal assumption that business rates increase in line with prevailing inflation.
- 4.1.9. The table below provides a summary of the overall position for this authority after the final settlement:

	2021/22 Settlement £m	2022/23 Original Notification £m	2022/23 Final Settlement £m
Standard Spending Assessment	391.960	422.878	Available 1 st March
Aggregate External Finance	284.820	311.597	Available 1 st March
Difference	107.139	111.281	

The difference represents the sum which WG estimates Local Authorities will need to raise through taxation or charging. Against the WG assessed funding requirement for Carmarthenshire, it is notable that the fund gap has increased by £4.14m (3.9%).

4.2. Internal Funding

4.2.1. 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.

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

- Sustained ongoing additional costs and income loss from the impacts of the pandemic so far, which could exceed our contingency provision
- A resurgence or new variant of the virus, which requires the Authority to return to response mode
- The withdrawal of the WG Covid Hardship Fund.
- Future inflation being higher and / or longer than currently forecast, impacting both 3rd party spend as well as future pay settlements
- The challenging labour market for the authority overall, and social care in particular
- The need to deliver challenging efficiency targets in future years
- Additional pressure on demand lead services, especially the long term unknown impact of the pandemic on both adults and childrens social services

Sensitivity impact analysis:

Budget element	Movement	Annual Impact £m
Pay inflation	1%	2.4
General inflation	1% (expenditure only)	2.3
General inflation	1% (income only)	-1.4
WG Settlement	1%	3.1
Specific Grants	1%	1.0
Council Tax	1%	0.95

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

	1 st Apr 2021 £'000	31 st Mch 2022 £'000	31 st Mch 2023 £'000	31 st Mch 2024 £'000
Schools Reserves	7,266	2,525	2,525	2,525
General Reserves	12,034	12,613	12,613	12,613
Earmarked Reserves	114,805	76,484	55,294	50,941

4.3. School Reserves

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

4.3.2. Legislation allows schools to carry forward reserves from one financial period to another. Current guidance requires schools to limit their carry forward to £50,000 for Primary Schools and £100,000 for Secondary Schools or 5% of their budget dependent on what is greater. School Improvement officers continually work with schools to ensure they comply with the guidance. As at 31st March 2021, 23 primary, 4 secondary and one special school were in deficit.

4.3.3. School balances were significantly boosted by grant funding late in 2020/21 and recent announcements from WG suggest this may again be the case. This is not currently factored into forecasts, however members should note that these represent one off sources of funding only.

5. GENERAL RESERVES

5.1.1. In the changeable and challenging environment currently facing Local Government the Authority is committed to maintaining a reasonable level of General Reserves or Balances. Whilst there is no prescribed minimum level for Balances, Council has previously deemed 3% of net expenditure as being a prudent

level, which has been accepted by our Auditors as being reasonable. As at 31st March 2021, General Reserves stood at £12.034m, or 3.1% of the 2021/22 net revenue budget.

5.1.2. The overall level of Balances is taken into consideration each year when the annual budget is set and has on occasions been utilised to augment expenditure/reduce council tax. The 2021/22 budget was set on the basis of a nil transfer from General Reserves.

5.1.3. As outlined in paragraph 3.1.2, the current year forecast is indicating an underspend position of £779k. Due to the combination of the hardship scheme as well as particular staffing challenges in social care, it is unlikely this position will worsen. Given this, it is recommended that £200k could be earmarked for the holding costs of the Carmarthen Hwb, as these are one off pending construction works. Including the £500k capital allocation for Decarbonisation agreed by Cabinet (already factored into the position above), this would give a forecast general balance at 31st March 2022 of £12.613m, being 3.03% of the 2022/23 proposed net revenue budget. It is deemed imprudent at this stage to assume any further support for future years budgets from the current General Reserves.

5.2. Earmarked Reserves

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

Reserve	31 March 2021 £'000	31 March 2022 £'000	31 March 2023 £'000	31 March 2024 £'000
Insurance	12,906	13,658	14,908	15,658
Capital Funds	51,944	19,348	12,440	13,867
Development Fund (inc. Schools Dev Fund)	940	1,075	2,195	2,249
Corporate Retirement Fund	5,276	4,276	3,276	2,276
Joint Ventures	1,427	1,359	1,325	1,276
Other	42,313	36,769	21,151	15,616
TOTAL	114,805	76,484	55,294	50,941

5.2.2. As can be seen from the table above the level of earmarked reserves fluctuates greatly year on year, and whilst the level in each fund is not an exact science it is based on an informed

estimate and past experience of the likely call on the authority in future years in line with the intended purpose of each reserve. Great care must therefore be taken when considering utilising such funds for purposes other than those which they were created as this could lead to the authority being faced with substantial unfunded liabilities in the future.

5.2.3. Taking account of the proposals within this report, including the use of reserves, the Director of Corporate Services confirms that overall the estimated level of financial reserves (as indicated above) is adequate for the financial year 2022/23, with the General Reserves as set out in paragraph 5.1.3 being at the minimum that could be supported.

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. Carmarthenshire’s Well Being objectives were updated in April 2021:

Start Well

1. Help to give every child the best start in life and improve their early life experiences

2. Help children live healthy lifestyles

Live Well

3. Support and improve progress, achievement, and outcomes for all learners

4. Tackle poverty by doing all we can to prevent it, help people into work and improve the lives of those living in poverty

5. Create more jobs and growth throughout the county

6. Increase the availability of rented and affordable homes

7. Help people live healthy lives (tackling risky behaviour and obesity)

8. Support community cohesion, resilience and safety

Age Well

9. Support older people to age well and maintain dignity and independence in their later years

In a Healthy and Safe Environment

10. Look after the environment now and for the future

11. Improve the highway and transport infrastructure and connectivity

12. Promote Welsh Language and Culture

Corporate governance

13. Better Governance and use of Resources

7. MEDIUM TERM FINANCIAL PLAN AND COUNCIL TAX PROPOSAL 2022/23

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

Assuming that the Council Tax increase is restricted to 2.5%, this will give an estimated income from Council Tax of £104.282m which when added to the

Welsh Government settlement and use of earmarked reserves will provide a net available expenditure budget for the Authority of £416.079m.

	2022 - 2023 £'000	2023 - 2024 £'000	2024 - 2025 £'000
Previous Years Budget	386,185	416,079	430,740
Validations/Adjustments	33,560	18,569	16,291
Validated Budget	419,746	434,648	447,031
less			
Efficiency/Service Rationalisation	-3,667	-3,908	-3,982
Projected Budget	416,079	430,740	443,049
Potential sum available			
	416,079	430,740	443,049
WG Settlement			
RSG & NNDR	-311,597	-322,503	-330,243
Earmarked reserve funded expenditure	-200		
Call on Council Tax	104,282	108,237	112,806
Tax Base	74,699	74,973	75,248
Council Tax Rate (Band D)	£ 1,396.04	£ 1,443.68	£ 1,499.12
Council Tax Increase	2.50%	3.41%	3.84%

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

7.1.1. Years 2 and 3 of the Medium Term Financial Plan assume the delivery of the currently identified savings proposals of £3.908m in 2023/24 and £3.982m in 2024/25, however this will be revisited when we are preparing the following years draft budget strategy

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

Recommendations

7.2. That Cabinet consider and recommend to County Council:

- 7.2.1. The Budget Strategy for 2022/23;
 - 7.2.2. The Band D Council Tax for 2022/23;
 - 7.2.3. The removal of specific savings proposals as identified in paragraph 3.2.5
 - 7.2.4. The budget amendments as summarised in paragraph 4.1.4 taking into account the range of responses received during the consultation process and the additional pressures as identified in the report;
 - 7.2.5. The Medium Term Financial Plan which will form the basis for future years financial planning;
- 7.3. That Cabinet delegates to the Director of Corporate Services, in consultation with the Chief Executive, Leader and Cabinet Member for Resources, to make any amendments necessary as a consequence of the WG final settlement due on 1st March 2022.

Mae'r dudalen hon yn wag yn fwriadol

COUNCIL FUND REVENUE ACCOUNT

TABLE 1

SUMMARY STATEMENT

2021/22 Approved Budget £	2021/22 Provisional Outturn £		2022/23 Proposed Budget £	2023/24 Indicative Budget £	2024/25 Indicative Budget £
16,740,368	16,192,000	Chief Executive	18,942,577	19,118,917	19,416,439
179,660,061	179,660,000	Education & Childrens Services	187,598,256	190,936,145	194,158,177
29,556,096	28,664,000	Corporate Services	32,792,169	39,896,268	46,590,031
108,104,176	108,273,000	Communities	119,269,750	120,475,943	121,034,857
61,390,403	60,936,000	Environment Services	65,907,545	67,917,461	68,618,891
		Savings to be identified	0	0	0
395,451,104	393,725,000	Departmental Expenditure	424,510,297	438,344,734	449,818,395
(20,154,905)	(20,655,000)	Capital Charges/Asset Management Acc	(19,754,905)	(19,254,905)	(18,754,905)
		<u>Levies and Contributions</u>			
10,736,874	10,736,874	Mid & West Wales Fire Authority	11,170,197	11,491,899	11,822,865
152,327	152,327	Brecon Beacons National Park	153,850	158,281	162,839
386,185,400	383,959,201	Net Expenditure	416,079,439	430,740,010	443,049,194
0	580,199	Contribution to/from general balances	0	0	0
0	946,000	Transfer to/from Departmental Balances	0	0	0
0	700,000	Transfer to/from Earmarked Reserves	-200,000	0	0
386,185,400	386,185,400	NET BUDGET	415,879,439	430,740,010	443,049,194
		TO BE FINANCED FROM:			
-284,820,457	-284,820,457	Aggregate External Finance	-311,596,954	-322,502,847	-330,242,916
101,364,943	101,364,943	CALL ON TAXPAYERS	104,282,485	108,237,161	112,806,279
1,361.97		Band D Tax	1,396.04	1,443.68	1,499.12
3.45%		Council Tax Increase	2.50%	3.41%	3.84%

Mae'r dudalen hon yn wag yn fwriadol

REVENUE BUDGET 2022 - 2025

CONSULTATION REPORT

FEBRUARY 2022

carmarthenshire.gov.uk

Cyngor **Sir Gâr**
Carmarthenshire
County Council



Tudalen 33

Contents

1) OUTLINE OF APPROACH AND CONSULTATION METHODS	3
2) RESPONDENT PROFILE	6
3) CONSULTATION FINDINGS	7
4) NOTES FROM BUDGET CONSULTATION MEETINGS	144
5) MINUTES OF SCRUTINY COMMITTEE MEETINGS	19
6) APPENDIX	28

INTRODUCTION

A mixed-methods approach to ascertaining views on the 2022-25 budget took place during the period from 17th January 2021 to 6th February 2021.

In making savings, the Council is concerned to minimise the impact upon service delivery. In meeting the challenge of saving a total of £11.7 million, many savings are being made through internal efficiencies and ensuring that the three-year savings which were agreed on in the 2021 budget are delivered. No new saving proposals were put forward this year and therefore local residents, businesses, community and voluntary organisations were asked to have their say on the draft budget so that councillors can consider your feedback before making a final decision in March.

We have a legal responsibility to set a balanced budget every year, ensuring that income from sources such as Council Tax, revenue from paid-for services and grants is enough to cover our expenditure. With Covid-19 having had a continued impact on services, this year councillors face the added pressure of funding extra costs incurred and ensuring future contingencies can be met. Pressures are being particularly felt across social care services because of the pandemic combined with national staffing issues.

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

This report:

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

1) OUTLINE OF APPROACH AND CONSULTATION METHODS

Whilst the settlement provided by Welsh Government was much more favourable than expected, inflation, rising costs, demographic pressures and increased statutory obligations have challenged the Council to make significant cost reductions. No new savings proposals are being put forward for consultation this year, however the council's Executive Board has reiterated its commitment to delivering the three-year savings agreed in the 2021 budget. We invited local residents, businesses, and

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

community and voluntary organisations - to have a say on our draft budget so that councillors can consider your feedback before making a final decision.

Councillor involvement

A series of departmental seminars for all county councillors took place over a 5-day period: 17th January 2022 to 21st January 2022.² All efficiencies across each department were considered in detail and feedback sought. Bullet points of the key discussion points are provided in appendix a.

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

Survey

The survey asked respondents on their views on the draft budget. A full draft report was provided alongside saving proposals and pressures in order to inform respondents to ensure that they could express a view on the budget report. Respondents were asked about their overall thoughts of the draft budget, areas to which they disagreed, areas of the report which they supported. Moreover, respondents were asked how much of an increase in Council tax they would be willing to accept.

The survey was administered electronically via the Council's online consultation page on the website. A total of **170 responses** were received from various sections of the community, including individuals, businesses, town and community councils and groups and organisations. A demographic breakdown is provided in section 2.

Other [Email responses received]

8 emails were submitted to the Council during the budget consultation period. A summary of the contents of the emails are provided below:

- The majority of the emails received voiced their concerns and disapproval of introducing car parking fees in Burry Port, Kidwelly and Ferryside. Many of the emails received noted that this would have a significant impact on the footfall and prosperity of these areas. Additionally, emails note that it would encourage people to park illegally which would increase congestion and potentially be more dangerous to all road users and pedestrians. Respondents are also concerned that this will drive customers and tourists away to areas where they can shop and park for free.

Social Media Responses:

In order to raise publicity, social media was utilised to encourage residents to complete the online survey. Some provided comments on Facebook and Twitter can be seen below:

- Some indicated that the rate of Council tax increase exceeds the rate of inflation, which is putting some households into financial difficulty, especially due to the proposed increase in NI and utility bills.
- Some noted that there is a need to reduce wages for senior officers and councillors instead of increasing council tax.
- Others noted that they see the exercise as 'pointless' as they feel their comments are not listened to.

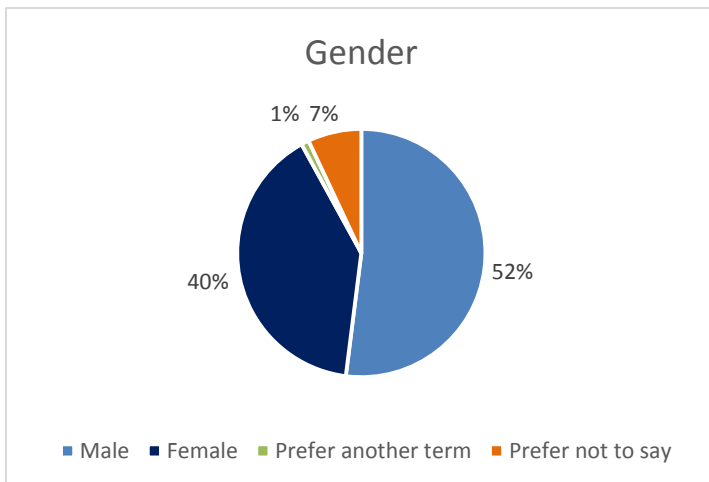
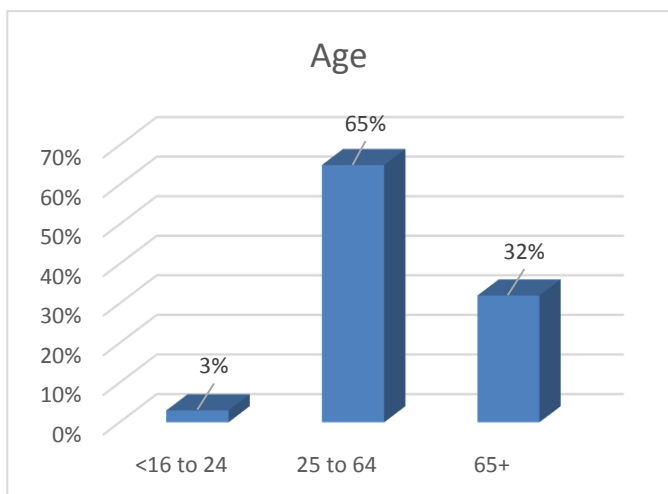
² As democratically elected representatives, councillor views are of central importance. This is of course in addition to their decision making role, as Council, in deciding the budget.

Publicity

Local and regional press and local radio advertisements were used to inform the public how to become involved and obtain further information on the budget consultation. Carmarthenshire County council staff were also encouraged to take part in the Budget consultation via internal newsletter. In addition, the consultation was publicised through relevant equality groups, including Equality Carmarthenshire, Ageing well Forum and the Carmarthenshire Disability Coalition for Action. The Carmarthenshire Community and Town Council Liaison Forum held a specific meeting to discuss the budget and were asked to respond via the online survey with the consultation information also circulated to all clerks in the Community and Town Council newsletter. All Town and Community Councils were asked to take part using the online consultation. The public consultation phase ran from 17th January 2021 to 6th February 2022. In total, 170 responses were received.

2) RESPONDENT PROFILE

Of the 147 respondents who gave completed answers to demographic questions: 97% were from individuals and 3% from Town and Community Councils, organisations or businesses.³



Demographic Characteristic	Overall %
Transgender	10.3%
PNTS	11.0%
Relationship status	
Single	13.2%
Married	60.4%
Separated/ Divorced	5.6%
Widowed	3.5%
PNTS	13.5%
Sexual orientation	
Straight	78.9%
LGB	2.5%
PNTS	17.6%
Religion	
Yes	44.6%
PNTS	14.9%
Pregnancy/maternity & paternity	
Pregnancy	1.6%
Maternity/Paternity	1.7%
Caring responsibilities	
Yes	21.0%
PNTS	8.4%

Demographic Characteristic	Overall %
Ethnicity	
White	88.1%
BME	0.7%
Other	0.7%
PNTS	10.5%
Disability	
Yes	17.8%
No	73.3%
PNTS	8.5%
Preferred language	
Welsh	10.7%
English	92.1%
Other	0.7%
Income	
<£15,000	14.7%
£15,001 – £30,000	31.5%
£30,001 – £45,000	17.5%
Over £45,000	16.8%
PNTS	19.6%
Royal forces	
Yes	13.5%
PNTS	5.7%

³ Carmarthenshire Local Access Forum, Unspecified hotel operator

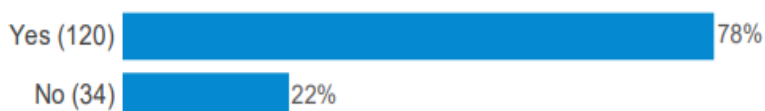
A total of 120 respondents included their post codes. These are presented in the table below.

Area	SA4	SA14	SA15	SA16	SA17	SA18	SA19	SA20	SA31	SA32	SA33	SA34	SA39	SA40	SA44
Number of Responses	2	21	20	11	7	11	7	1	16	6	10	2	1	2	2
% Responses	1.5%	16.2%	15.4%	8.5%	5.4%	8.5%	5.4%	0.8%	12.3%	4.6%	7.7%	1.5%	0.8%	1.5%	1.5%

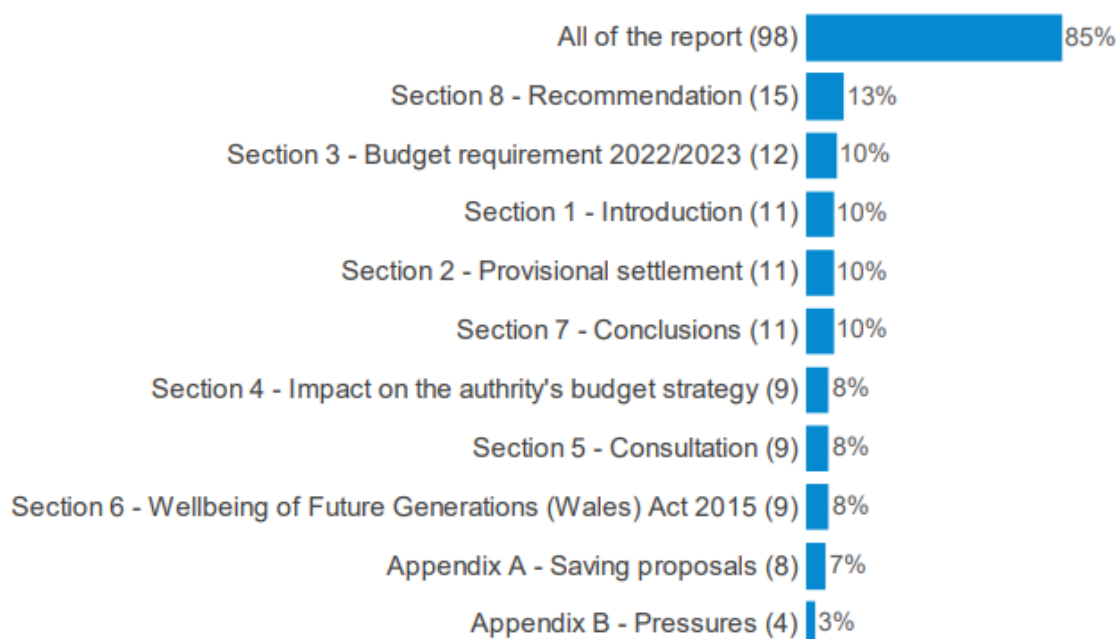
3) CONSULTATION FINDINGS

Each question of the consultation is examined in turn and is presented below. Respondents were asked to provide their overall opinions of the draft budget report, their feedback on what they disagree with and their opinion of what they supported in the draft budget. An inductive thematic analysis was adopted to analyse the free-text responses. This method involves a six-step process of familiarisation, coding, generating themes, reviewing themes, defining and naming themes followed by the writing up stage. Thematic analysis is an effective approach when ascertaining people's views, knowledge, opinions, and experiences. Moreover, an inductive approach has been adopted to determining themes which have emerged from the data.

Have you read the budget report 2022-2025?



What section of the report have you read?



Q1. What are your thoughts on the proposed budget for 2022-2025?

A total of 116 respondents took the opportunity to provide their overall thoughts on the draft budget. These comments have been categorised into 4 key themes which can be seen below, and examples of comments can be seen for each theme.

- 1) No increase / minimal increase in council tax – A common theme which emerged from the data relates to reducing the proposed increase on their council tax due to the increased cost of living. Many expressed concerns regarding the proposed increase in National insurance contributions and soaring gas and electricity bills.
 - *Cost of living is currently out of control, especially of energy costs. The knock on affect to this is all other costs, especially food will increase. As a civil servant - no pay rise for 2021-2022, including no or capped pay rises since 2008. Each year the council tax goes up towards 4-5%. Based on previous inflation rates, these rises have been above/double the rates. This year the proposal is 4.4% - I do not see a better service for the rises that have been made in the past or expect in the present financial year...*
 - *I consider any increase to council tax to be a harsh difficulty to those of us on very limited incomes, especially when I already have to ration food and heating.*
 - *I disagree on the fact that you have left over cash but yet will increase 4.4 increase and yet we have suffered with covid and now we have increased gas and electric bills*
 - *I don't think the rising cost of living has been considered enough.*

- 2) Negative overall view of the budget report – A common theme which emerged was a negative overall view. The negative views centre around the lack of detail provided and the complexity of the information given. Moreover, some indicated that they disagree with the budget but did not provide further detail on what they disagreed with.
 - *Difficult to follow due to many acronyms. No details on savings on outside consultancy costs. No details of increase of councillors costs and benefits. Could be room for improvement.*
 - *It doesn't make much sense to me*
 - *It is a far to detailed document for most lay people to understand and to make educated comments on. I will just give answers in the survey that I feel are relevant.*
 - *It is complicated.*

- 3) Limited use of services – Some respondents indicated as they do not use 'many services' provided by the council; they feel that it is unfair that they are required to pay the same amount as other Carmarthenshire residents who utilise more services.
 - *We do not use the schools in Carmarthenshire, therefore the council tax should be reduced for services we do not use.*
 - *Why should I be paying more council tax when the services provided are nowhere near as good*

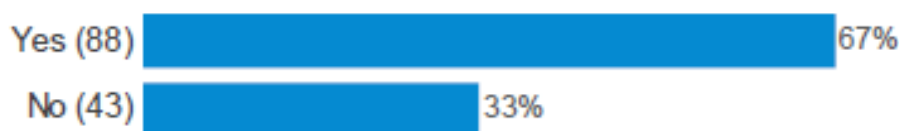
- *Seems to me that council tax is always increasing but services stay the same or get worse*
- *For my household we are getting very little. We have no Children, no bus service, no library, no help with our bills (as we worked all our lives). ALL WE GET IS A RUBBISH COLLECTION and gritters when not on strike.*

4) Some specific views on services – Some respondents took the opportunity to raise concerns over specific aspects of the budget. Specifically, some residents indicated that some services need to be protected such as; parking in smaller towns in the county, additional need for street cleaning, needing additional funding for children services and improved health and wellbeing facilities. Examples of the comments are presented below:

- *I strongly disagree with the proposal to install parking meters in the car park at Seaview Terrace Burry Port. This would have a devastating impact on local businesses and the local economy. This area is popular with visitors to the harbour and beaches as well as the local shops and people will be obliged to shop elsewhere or park cars on our already congested roads. The huge number of residents from new properties in the area are having an impact on our services and need parking facilities to support our local economy. Burry Port is being congested to an unacceptable level with no consideration for the well-being of us residents,*
- *Ludicrous! Hammering small businesses and town centres AGAIN with yet MORE parking fees. Current free parking periods LAUGHABLE. Why not offer Parking Discs?*
- *More money on street cleaning*
- *More needed for frontline; extracurricular activities for children; and social care*
- *Re provisions for children - aim to improve health / social activities does not recognise impact of Covid 19. Can only speak for children under 2. No provision available for activities / access to health visitors. Covid 19 has isolated new parents - no baby/toddler groups. Can't even access leisure pool at reasonable times. How can a parent keep a child active and healthy without any group activities, access to leisure activities or medical assistance?*
- *There should be a significant funding allocation to children education. Parents and children should be asked they need to make up for lost time. There are very few extracurricular activities, certainly nowhere near pre-pandemic.*
- *A lot detail but no real information how this will include sports and leisure, there is mention of obesity, well being and mental health, but no mention on improving sporting facilities in deprived areas?*
- *Although decarbonisation is mentioned I believe that the council needs to be more specific in what it proposes to do given the very short time available to make significant reductions, is solar panels on every building, electric vehicle adoption, non-fossil fuel heating,*

Q2.

Is there any part of the budget report you disagree with?



A total 131 responses were received for the question displayed above. As pictured in the bar chart 33% (n=43) did not disagree with the draft budget. Whilst the data indicates that 67% (n=88) disagreed with an aspect of the draft budget report.

Respondents who disagreed were given an opportunity to provide a brief description of which aspect they disagree with and provide an explanation why.

Q3. Please provide a brief description below of what you disagree with and why.

A total of 87 respondents took the opportunity to express disagreement with the draft budget. These comments have been categorised into 4 key themes which are presented below.

- 1) Increasing Council tax when services have been reduced – The vast majority of the comments (89%) related to Council tax increases. Many expressed that there should be no increase in Council tax due to household financial pressures as a consequence of the proposed increase in National insurance and energy bills.
 - *Council tax increase percentage*
 - *council tax increase we are all having a difficult time with household living and cost this is not expected. People want to know what the extra money is to be spend on. this is unfair and councillors should not be supporting the increase its not fair. Money is being saved with staff at home and not in the office.*
 - *Council tax increases based on an assumption of demand / need for services.*
 - *Council tax increases. There are potholes and dog mess everywhere along with drug paraphernalia. We see very little in terms of services now and to increase when many have fallen on hard times financially is absolutely abhorrent.*
 - *Council tax is high enough already*
 - *council tax rises too high*
 - *Council tax rises.*
- 2) Not enough detail - Some noted that there is insufficient information to make an informed decision on savings. Some indicated that the report was difficult to read with jargonistic text. Additionally, some respondents indicated that there was a lack of detail on efficiency proposals.
 - *Efficiency proposals unclear.*

- *It is not written in an easy to understand way. The appendices are written as a business case. This makes it difficult for anyone to relate the contents to real life. It does not answer the “so what does that mean to me question”*
 - *Lack of detail on savings.*
 - *No clarity about your efficiency proposals. The report is also very jargonistic hence difficult for the lay person to understand. I am educated to masters level and struggled to understand the detail.*
- 3) **Parking charges** – Some noted that parking charges should not be increased. Additionally, parking facilities in smaller towns and villages should be free to increase footfall.
- *Introduction of parking charges to new car parks will disadvantage small shops and businesses in favour of retail parks. This risks localities, including villages like Dafen, which has recently had new parking restrictions imposed on the high street losing services such as corner shops, pharmacies and post offices. Additionally, residents in high streets using these car parks will park in neighbouring streets to save money, increasing congestion in those other areas. Increasing car parking charges at other car parks including coastal car parks may also deter people from using them.*
 - *Increases in parking charges, drives consumers away from the town centre, coastal car parks will become too expensive for the locals to visit.*
- 4) **Some specific views on services** – Some respondents took the opportunity to raise concerns over specific aspects of the budget. Specifically, closing observation and assessment centres, reactive maintenance and rationalising the number of schools were noted by respondents. Examples of the comments are presented below:
- *Closing Observation and Assessment Centres would have a huge impact on schools. There are times when pupils cause huge disruption in classes which in turn affects the amount and quality of teaching for the rest of the pupils. These highly disruptive pupils should not be in mainstream schools.*
 - *I think some of the savings proposed are short-sighted -particularly regarding areas where maintenance is to be stopped in favour of reactive repairs. Non maintenance usually results in avoidable bigger problems which are more difficult and costly to repair and can have a major impact on the lives of service users. I hope that maintenance of housing stock does not fall into this category.*
 - *Rationalize the number of schools in 2023/24 and 2024/25. There is no clarity here as to how this will be implemented. School closures will have a huge impact on communities, Welsh language, culture, economy and environment.*

Q4.

Is there any part of the budget report you support?



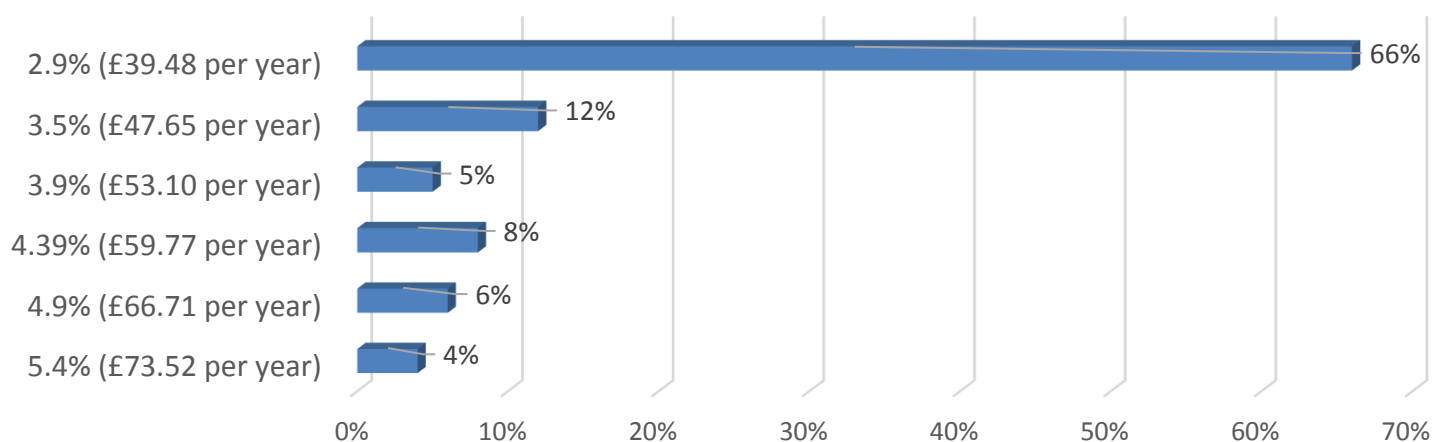
In total, 123 respondents gave a response to the question above. As the bar graph illustrates, 61% (n= 75) of the respondents did not support any aspects of the draft budget. In contrast, 39% (n=48) supported some aspect of the proposed budget. Respondents who agreed were given an opportunity to provide a brief description of which aspect of the budget they support and provide an explanation why.

Q5. Please provide a brief description below of the section(s) of the report you support and tell us why.

42 respondents took the opportunity to express their support for the proposed budget which have been categorised into 2 key themes which are presented below.

- 1) Increase in net-carbon zero funding – The majority of respondents support the investment in ensuring that targets are met in the net-carbon zero agenda. This includes improving recycling provision in the county.
 - *Acceleration of decarbonisation*
 - *'green' initiatives. Just about OK to pay a bit more council tax if we keep to these things!*
 - *Decarbonisation programme*
 - *Improved kerbside recycling facilities such as glass collection*
 - *The part use of the current year underspend to tackle decarbonisation and the objectives listed in support of the Wellbeing of Future Generations (Wales) Act 2015. I want to live in a fairer community where we look after those who need help without making judgements.*
- 2) Efficiencies in back office and management – Some noted that they welcome proposals to examine efficiencies in management of back-office processes.
 - *Efficiencies within management*
 - *efficiency savings in admin processes and paperwork.*
 - *Overall aims to improve efficiency and cut costs are welcomed to a degree but not at long term cost.*
- 3) Additional funding to education and child services - Some respondents welcomed the proposals to increase teachers wage and increase funding to education and child services.
 - *Ensuring school budgets are protected.*
 - *Monies to support children & young people in education.*
 - *More funds for education*

Q5. How much of an increase in Council tax you would be willing to accept? (£ increase per year is calculated based on a Band D property)



Respondents were informed that Council Tax raises around £89 million a year which represents around a quarter of Carmarthenshire County Council’s total budget. Respondents were also notified that the current budget projections were based on a proposed council tax increase of 4.4%. Participants were asked to indicate how much of an increase in Council tax they would be willing to accept between 2.9% and 5.4%. As pictured in the bar chart above, two thirds (66%; n=95) of respondents opted for the lowest increase of 2.9% to their Council tax. This supports comments made regarding respondents apprehensions around the increase in the cost of living. The second highest percentage increase accepted by respondents was 3.5% which equated to 12% (n=17) of all responses. Only 8% of respondents favoured the proposed 4.39% council tax increase.

4) NOTES FROM BUDGET CONSULTATION MEETINGS

Schools Strategy Budget Forum – 24th January 2022

Provisional Welsh Government Settlement and Draft Budget Proposals

RH shared a PowerPoint presentation discussing the revenue budget. This included:

- Next year's budget assumptions have been amended to allow for 4% expenditure inflation, 4% pay award and funding provided for employers NI increase of 1.25%
- Settlement is higher than it has been for the last 12 years, as is the validation and growth.
- To date Carmarthenshire have claimed more than £50million from WG for Covid. WG have now said to LA's need to accommodate any ongoing Covid expenditure. This is the single biggest risk of uncertainty in next year's budget.
- The ALN grant has doubled to £14million across Wales – this is an additional £400,000 for CCC.
- There is a total ECS increase of over £11million which is the second largest increase across the Council.

RH summarised that Covid is the biggest risk to next year's budget. AT added the settlement is a significant risk and grant money doesn't allow secure planning for the next 2 years. There are Covid pressures which are unavoidable and CCC can't be sure how they will pan out.

TS questioned whether the end of Covid hardship funding would mean schools are expected to cover the costs for all Covid cleaning and face coverings? RH informed that this is a concern which has been escalated to Corporate Management Team (CMT) via Chris Moore. There are many services around the Authority who will be impacted, and decisions need to be made asap. RH informed, if WG state that face coverings are required and expected to be provided, WG will have to provide funding. GM added this issue is already being discussed by CMT, particularly the aspect of school cleaning which is on the RA for all schools. A decision needs to be made if this is to continue over the summer term and the impact on schools if it cannot continue. TS stated she doesn't want to make school staff feel insecure now that they are settled into routine with the current cleaning regime and is concerned over what will happen should schools need to cover costs. SN reminded that the current term includes one week in April which will be included in the next financial year. AT stated we must await guidance from WG but is on the CMT radar.

GE questioned that it is stated there is no savings targets for schools in 2022/2023 but the presentation shows school delegating budget savings target for 2023/2024. GM informed these are efficiency savings from premises costs and potential school closures. Which may create a knock-on effect on closure of schools to the department which has been incorporated into the budget.

RH shared a PowerPoint presentation discussing the capital budget. This included WG capital settlement will drop to £1.8million which presents a challenge for the next year. There has been no addition to the MEP capital budget as the review is being undertaken. Cabinet have agreed for £500,000 to accelerate decarbonisation budget 2022/2023 with WG funding from 2023/2024.

PJ raised the issue of energy conservation and sustainability within schools. There has been significant investment across the estate which has put forward energy efficient measures, but schools are struggling to meet these within a reasonable timeframe. PJ suggested, as Bryngwyn is having new roof, this could be an appropriate time to act on measures such as solar panels etc.

AH raised an issue with the energy efficiency and refit scheme within his school. It is felt that works have ground to a halt in the school. He has refrained from replacing some things such as strip lighting in the main hall as they were expected to be part of the refit scheme, but no update has been provided on timescale. Some work has been done; other works expected are yet to be carried out.

Corporate Employee Relations Forum (CERF) Meeting 28th JANUARY 2022

Chair welcomed all present to the Budget Consultation Meeting.

On behalf of the TUs, ME pointed out, with due respect to RH, the TUs did not consider the consultation as a proper budget consultation due to Councillors not being present to discuss the consultation with the TU representatives. TUs felt, the decisions were political decisions and would be made publicly.

It was mentioned, the requirement for a TU strategy with the inclusion of consultation, be discussed next month by CEX, Leader and PT.

RH informed, feedback from the following be submitted to Cabinet for their attention.

- Public Consultation
- TUs
- Members Seminars
- Formal Scrutiny meetings
- Town and Community Council Forum

RH explained, this year, the overarching message being, there has been a significant expansion in the budget for 2022 and the Welsh Government settlement had been positive, but this was due to the inflation rate, pay and areas which the Local Authority needed to fund.

RH shared his screen and provided the Forum with a bilingual power point presentation, in relation to the 2022 Budget Consultation.

RH provided an update on the following powerpoint slides / headings :-

- Background information
- Settlement Compared to Pressures
- Moving Forward
- Hardship Claims
 - To date over £50m had been claimed.
 - Scheme to terminate end of March 2022.
 - Required to factor any additional costs or lost income which continued to be ongoing, into next year's budget.

- Last year the Local Authority had £½million for specific social care contingency and £1m general budgetary contingency where it was required.
- Proposing for next year's budget a total of £3½m of contingency to support where required.
- Provisional Settlement
 - Indicative figures being: Y2 (3.5%) and Y3 (2.4%)
 - The Additional Learning Needs £7m grant has been maintained and has doubled to £14m for 2023. Potentially £400k to be delegated to schools budget for ALNs.
 - RRRS Education Grant to be increased to £35m and to continue into 2023 with an extra £2m to be provided to school budgets.
 - Further grants to be confirmed by WG in final settlement.
- Current Validation Assumptions
 - CPI was 5.1% but has risen to 5.4% with the expectation to decline by end of 2022.
 - Inflation applied to charges and fees whereby Cabinet have maintained the 2½% due to the impact on household finances
 - Initial pressures bids has extended over £30m from departments.
 - There are pressures within commissioned care pay.
 - Had to allow an additional £1m for energy costs.
- NJC & Teachers Pay
- Proposed Financial Model
 - 2022/23 budget being £386m
 - 2023/24 budget being £417.8m. (£311m received from WG and £106m raised in C. Tax).
- Departmental Proposals
 - Services continue to work through the pandemic's response/recovery mode
- Medium Term Financial Plan
- Capital
 - WG Capital Settlement has declined to £1.8m for 2023.
 - Decarbonisation Funding – Cabinet proposing to fund £½m due to WG not issuing the funding until 2023/2024.
- Capital Programme
 - Over £269m being the total capital programme from 2022 to 2027 (ie. £150m being external funding and £119m being the Organisation's funding).
- Considerations / Risks
- Budget Setting Timetable
 - 21st February – Cabinet
 - 1st March – Final settlement to be received from WG
 - 2nd March – Council budget
 - 9th March – Council Tax setting

PT thanked RH for his logic and comprehensive presentation and notified, there was no differentiation between the Members' presentation and the presentation the Forum had been presented with.

The bilingual presentation slide pack to be circulated to the TUs.

The following had been raised as follows:-

PH – “What is the total increase in grant funding”?

RH – 9.2% being the total increase in grant funding.

PH – “Is the 9.2% across the Board”?

RH – The 9.2% uplift was for Revenue and equated to approximately £27m. Capital last year was £12m and had declined to £10m for this year. (Capital was the £1.8m reduction).

PH – “Capital – there are lots of external funding to come into it therefore it would pay for it”

RH – The Local Authority endeavours to utilise the annual allocations from WG and have acknowledged the loss of the £1.8m but required to establish on how the Local Authority will balance the capital programme over the forthcoming years.

PH – “Revenue – How much will the total revenue and % budget for Carmarthenshire be, over the next 3 years”?

RH – This year’s budget being £386m, £418m proposed for next year, therefore the savings equated to approximately 1% of the net budget.

PH – (Funding for the living wage of Commissioned Care Services)

“Does the Local Authority’s procurement and commissioning service have the ability to enforce the issue of the possibility of private care providers obtaining the funding”?

RH confirmed, he had not seen the legislation/legal commitment.

ACTION: Helen Pugh, Head of Revenues and Financial Compliance to be invited to a future CERF meeting to discuss ethical procurement.

ME stated as follows:

- If cuts had not been made by the LA, we wouldn’t be in this position now.
- Considered reducing the transport costs as wealth transfusion.
- Proposing to the LA, to implement a needs led no cuts budget that met the needs of the employees and service users.
- To freeze Council Tax.
- TUs required to speak to elected political leadership in order for their views to be heard. (RH explained that meeting discussion points were fed back and formed part of the consultation report considered by cabinet/full council)
- LA to demand WG for the £120m to be returned to the LA. TUs to campaign on that basis.
- Services which were being provided by private companies should be brought back in-house eg. domiciliary care.
- The identified efficiencies will affect service areas.
- There is a lot of waste within the LA because of lack of planning.
- There is still potential for income generation but due to previous cuts, the Local Authority have limited their ability to undertake that.
- Media to be notified regarding the political leadership of the Local Authority.

PT – “If the Local Authority were to disapply the Council Tax increase and budget targets for 2023, how much would that be ?

RH – £3.8m is the figure for savings and £4m Council Tax, therefore if no cuts then Council Tax would need to become approx. 8% and to freeze Council Tax to balance

the budget, the Local Authority would have to find £8m of savings and not £4m. If both were to be applied, there would be a budget gap of £8m, leading to an unbalanced (i.e. illegal) budget

AC stated as follows:-

- How can it be cheaper for work to be provided to other companies who were expected to make a profit when the Local Authority have management structures who can provide the service(s) within the Local Authority.
- Hoped the Local Authority would now be recruiting more people and be able to see there is money to be saved without making cuts to employee's income with regards to services being provided by the Local Authority rather than be extended to private companies.

JJ stated as follows:-

- Living wage required to be increased.
- Envisaging shortfall within the care sector whereby employees may join the private sector due to salaries being higher.
- Private sector work required to be in-house.

PH – Council Tax - “The 3.4% seemed a lower projection as in previous years, what is the reason for that”?

RH – The modelled council tax increase for Yr 2 was 3.4% and Yr 3 3.4% and was based on what the Local Authority required to raise to balance the budget. As forecasted, inflation to decrease towards the end of 2022 (this is an assumption only). New Member administration to set the budget beginning of 2023.

PH - “Regarding the expectance of growth from income resources, does that factor in the verified rates of inflation eg. car parking charges and is the Local Authority looking at the next 2/3 years or expecting it to be below”?

RH – The assumption is to revert back. Bank of England have a target of maintaining CPI inflation at 2% and the economic recovery was judged more important than inflation and therefore allowed inflation to rise in order to support the COVID recovery.

PH – “In terms of the projections for growth ie. the fees and charges is the Local Authority basing it on this year or basing it on pre-COVID”?

RH – Part of the £3½m COVID contingency for 2023 had been acknowledged, that we have to provide support to individual budgets for the loss of income though the scale and longevity of this is highly uncertain.

Consultation ends 4th of February and as part of the consultation process, the TUs feedback to be provided to Cabinet.

5) MINUTES OF SCRUTINY COMMITTEE MEETINGS

ENVIRONMENTAL & PUBLIC PROTECTION SCRUTINY COMMITTEE

The Committee considered the report presented by the Cabinet Member for Resources on the Council's Revenue Budget Strategy 2022/23 to 2024/25, as endorsed by the Cabinet for consultation purposes at its meeting held on the 17th January 2022. The report provided Members with the current view of the Revenue Budget for 2022/2023 together with indicative figures for the 2023/2024 and 2024/2025 financial years based on officers' projections of spending requirements and taken account of the provisional settlement issued by Welsh Government on the 21st December 2021. It also reflected current departmental submissions for savings proposals after taking account of the impact of the Covid-19 pandemic on the delivery of those savings.

The Cabinet Member advised that the provisional settlement from Welsh Government this year was considerably higher than what was planned for, however he also highlighted that the scale of expenditure pressures that this Authority and other Local Authorities were facing was also at an unprecedented high level, which offset the higher settlement. The provisional settlement represented an average increase of 9.4% across Wales on the 2021/22 settlement. Carmarthenshire's settlement figures saw an increase of 9.2% (£26.335m) thereby taking the Aggregate External Finance to £311.957m for 2022/23 which included £302k in respect of the Social Care Workforce Grant.

Across the whole of the council's budgets, validation added £23m, by some margin the highest we have needed to allow for in recent years.

The budget also included £12.5m. for new departmental expenditure pressures which have been identified by departments and were inescapable if we are to continue to deliver our main services at the current level. As with the inflationary uplift, this was considerably more than the norm and reflected the scale of pressures on the current Council's services.

In respect of the savings proposals (Appendix Aii), the Cabinet Member explained that the continued response to the pandemic had further impacted on the delivery of efficiencies.

Nevertheless, it was highlighted that the Councils budget strategy had put forward some £3.8m of savings next year and a further £7.9m over the following 2 years. In relation to this committee's remit, the current proposals totalled some £886k in year 1 and a further £1.6m over the following 2 years.

The Budget Strategy proposed a Council Tax of 4.39% for 2022/23, in line with the Medium-Term Financial Plan, and that proposal would be considered as part of the budget finalisation process over the next month and where the Authority received further clarification on cost and grant funding with a view to limiting the Council Tax increase as far as possible. Final budget proposals would then be presented to the Cabinet late February, to ensure a balanced budget was presented to County Council.

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

Appendix A(i) – Efficiency summary for the Environment and Public Protection Services

Appendix A(ii) – Growth Pressures summary for the Environment and Public Protection Services

Appendix B – Budget monitoring report for the Environment and Public Protection Services

Appendix C – Charging Digest for the Environment and Public Protection Services

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

The following queries and concerns were raised in regard to car parking charges and the proposal to introduce charges to additional car parks as cited on Appendix Aii of the report:-

It was asked which ‘additional carparks’ had been identified, where were they located, what the process to introduce the charges would be and would Members be made aware?

It was asked consideration had been given to the reasons why the car parks were currently free to use?

A concern was raised in regard to the overall increase of car parking charges and the potential impact on the smaller towns and businesses therein.

The Head of Highway and Transportation, in response stated that the proposal to introduce charges to additional carparks would involve the carparks which were currently free to use:-

- Dafen Steele, Llanelli
- Llanybydder
- Station Car Park and Sea View Terrace, Burry Port
- Glan-yr-Afon and Station Road Car Parks, Kidwelly
- Llansteffan
- Eva Terrace, Ferryside

In terms of the due process, it was explained that subject to the approval of the budget strategy, to enable the charges to be applied a lengthy statutory process for the creation of a Traffic Regulation Order would take place. As part of this process the proposed Traffic Regulation Order which would be subject to a formal stakeholder consultation and public notices.

The Head of Highway and Transportation confirmed that the reasons behind the current use of free car parks had been explored and was factored into the current proposal.

In relation to the general increase in car park charges, the Head of Waste and Environmental Services highlighted that as stated in the report, the increase was planned for April 2020 but was put into effect in January 2021 and that there was no proposal within this budget strategy to further increase the charges.

Contrary to the concerns regarding the increase in car park charges, a comment was raised that whilst any increase in charges was controversial in its nature, it was highlighted that there were also many members of the public who do not own vehicles,

of which would not be affected by the increase in charges but would be affected by any increase in Council Tax.

It was raised that the carpark charges within the town of Carmarthen were substantially higher than those within Ammanford and Llanelli, in the interest of fairness, it was asked if a review of the carpark charges across Carmarthenshire could be undertaken with a view to be consistent. The Head of Waste and Environmental Services stated that the comment would be considered, however the variance in terms of the location and usage would be a factor in the different charging rate. In addition, Members were informed that the charges were an important income stream to enable necessary maintenance on the carparks to be undertaken.

Further comments were raised regarding the economic situation and footfall which differed between Ammanford, Llanelli and Carmarthen and the reason why the carpark charges within Ammanford and Llandeilo was at a lower rate due to the economic position. Concern was raised that an increase in carpark charges would have a detrimental impact on the smaller towns and its businesses.

A concern was raised in relation to the lack of maintenance and aesthetic care of the infrastructure and fixtures within Ammanford and the need for a plan to manage this was called for. In response, the Head of Waste and Environmental Services explained that the budget strategy had included the financial position and the proposals for members consideration and unfortunately this area of maintenance was no longer available.

In reference to Road Safety Innovation, clarification was sought how income and sponsorship would be obtained. The Head of Highways and Transportation explained that in exploring how additional income could be obtained, the team had discovered examples across the Country where road safety activities had attracted sponsorship. It was identified that there was a potential opportunity to achieve a modest income by utilising services such as school crossing patrols and training.

Reference was made to the proposal in relation to Highways - 'subject to the financial position remaining unchanged the service will be forced to further reduce the level of general maintenance work' as stated in Appendix Aii of the report. In acknowledging that the condition of the highways was currently dependant on the continued significant investment bids, strong concern was expressed that further budget reductions would be detrimental to the road conditions within Carmarthenshire. Following the general consensus of the Committee to protect the maintenance and improve the conditions of the County's highways, it was therefore recommended to place the allocated sum of £757k within highways budget.

Information was sought in respect of the School Crossing Patrol vacancies and the timescales. The Head of Highways and Transportation reported that the explained that whilst a continuous recruitment process for School Crossing Patrols was in effect, there had been some difficulties in filling vacancies on some sites. In the interim, the team were working with the Community to assist in the provision of school crossing.

In response to a query raised regarding the vacant post within the Public Rights of Way section, the Head of Highways and Transportation reported that the first round of the recruitment process had been completed and would be appointing shortly.

Reference was made to the Traffic Management section of the Charging Digest, Appendix C. It was asked if the 2% price increase in line with inflation could be further increased? The Cabinet Member for Resources explained that as stated within the report, the charging would be minimised to 2.5% in respect of the burden on household budgets. It was further commented that an increase within the Traffic Management section would not have a direct impact on households. In acknowledging that income was an important and necessary stream, the comment on the percentage price increase was echoed and supported as long as it does not directly impact on households.

In addition, it was asked if inflation would be added to the charges that had not increased? The Cabinet Member for Resources stated that it would be prudent to undertake a review of all charges that does not directly impact on ratepayers.

Reference was made to fixed penalty notices and their charges. It was commented that clean-up operations attributed to clearing up dog faeces and litter were costly and fixed penalty charges, whilst contributing towards these costs were also a form of punishment for irresponsible behaviour therefore, it was asked if the fixed penalty charges could be increased? The Head of Waste and Environmental Services explained that the Council, in setting the charges were governed by legislation and the charges seen within the digest were set towards the upper limit and that any further increase would fall outside of the legislation. A further increase to reach the absolute maximum could be achieved in the future in consultation with the relevant Cabinet Member. It was strongly expressed that a review take place on all fixed penalty notice charges and ensure that they are set to the maximum limit of the legislation as soon as practically possible.

RESOLVED subject to the Committees comments being considered as part of the consultation that:-

4.1 the 2022/23 – 2024/25 Revenue Budget Strategy Consultation be received;

4.2 the Charging Digests for the Environmental and Public Protection, as detailed in Appendix C to the report, be endorsed.

COMMUNITY & REGENERATION SCRUTINY COMMITTEE

The Committee considered the report presented by the Cabinet Member for Resources on the Council's Revenue Budget Strategy 2022/23 to 2024/25, as endorsed by the Cabinet for consultation purposes at its meeting held on the 17th January 2022. The report provided Members with the current view of the Revenue Budget for 2022/2023 together with indicative figures for the 2023/2024 and 2024/2025 financial years based on officers' projections of spending requirements and taken account of the provisional settlement issued by Welsh Government on the 21st December 2021. It also reflected current departmental submissions for savings proposals after taking account of the impact of the Covid-19 pandemic on the delivery of those savings.

The Cabinet Member advised that the provisional settlement from Welsh Government this year was considerably higher than we had planned for, however

he also noted that the scale of expenditure pressures that we and other local authorities were facing was also at an unprecedented high level, which offset the higher settlement. The provisional settlement represented an average increase of 9.4% across Wales on the 2021/22 settlement, Carmarthenshire's increase had been 9.2% (£26.335m) thereby taking the Aggregate External Finance to £311.957m for 2022/23 which included £302k in respect of the Social Care Workforce Grant.

Across the whole of the council's budgets, validation added £23m, by some margin the highest we have needed to allow for in recent years. The budget also included £12.5m. for new departmental expenditure pressures which have been identified by departments and were inescapable if we are to continue to deliver our main services at the current level. As with the inflationary uplift, this is considerably more than we have normally had to build in and reflects the scale of pressures on council services currently.

Turning to our savings proposals, the Cabinet Member highlighted our continued response to the pandemic had further impacted on the delivery of efficiencies. Nevertheless, he noted our budget strategy puts forward some £3.8m of savings next year and a further £7.9m over the following 2 years. Within this committee's remit, the current proposals totalled some £268k in year 1 and a further £573k over the following 2 years.

The Budget Strategy proposed a Council Tax of 4.39% for 2022/23, in line with the Medium-Term Financial Plan, and that proposal would be considered as part of the budget finalisation process over the next month and where the Authority received further clarification on cost and grant funding with a view to limiting the Council Tax increase as far as possible. Final budget proposals would then be presented to the Cabinet late February, to ensure a balanced budget was presented to County Council.

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

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

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

- In response to a question on the savings achieved on travelling costs during the covid pandemic, the Director of Corporate Services advised that while those figures were available departmentally and in some cases had been adjusted as part of the budget process, they were not consolidated corporately, as we needed to understand the impact of the revised way of working post covid before adjustment to the corporate were made. However, he would make arrangements for the committee to be provided with that information.

RESOLVED that:

4.1 The 2022/23 – 2024/25 Revenue Budget Strategy Consultation be received.

4.2 The Charging Digests for the Regeneration, Leisure, Planning and Non HRA Services, as detailed in Appendix C to the report, be endorsed.

SOCIAL CARE & HEALTH SCRUTINY COMMITTEE

The Committee considered the Revenue Budget Strategy 2022/23 to 2024/25 which had been considered and approved by the Cabinet as its meeting on the 17th January, 2021. It was also noted that members of the Committee had recently attended consultation events on the budget which had provided them with an opportunity to ask questions and seek clarification on various aspects of the budget.

The report provided Members with the current view of the Revenue Budget for 2022/23 together with indicative figures for the 2024/25 financial years.

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

- Appendix A – Corporate Budget Strategy 2022/23 to 2024/25
- Appendix A(i) – Efficiency summary for the Social Care & Health Service
- Appendix A(ii) – Growth Pressures summary for the Social Care & Health Service
- Appendix B – Budget monitoring report for the Social Care & Health Service
- Appendix C – Charging Digest for the Social Care & Health Service

The Head of Financial Services provided an overview of the report. Key points covered included:

- Committee was advised that the report provided members with an update on the latest efficiency proposals. It considered the budget validations necessary, the service pressures and it took into account the provisional budget settlement which was issued by Welsh Government to Authorities on the 21st December 2021.
 - While the provisional settlement was higher than had been planned the scale of expenditure pressures were at an unprecedented level. Given this the Authority would need to continue to provide efficiency savings with this and future years budget.
 - On an all-Wales basis, the local government provisional settlement increased by 9.4% and Carmarthenshire increased by 9.2%. The Aggregate External Finance (AEF) increased to £311.957 million in 2022/23. This would help to provide for inflationary factors, demographics and demand changes to services, not least with social care.
 - Welsh Government had also issued details of Service Specific Grants alongside the provisional settlement on 21 December 2021 at an all-Wales level. It was a concern that many remained at a similar level to previous years given the impact of pay awards and general inflation.
 - It was stated that the final settlement would not be published until the 1st March 2022.
 - The Minister's letter which accompanied the settlement was explicit that

Welsh Government expects Council to meet the cost of any future pay awards from the improved settlement.

- It was highlighted that the budget reductions required for 2022/23 was £3.8m which would ensure, based on the current projections that essential services could still be delivered.
- Taking into account the provisional settlement a proposed Council tax increase next year was 4.39%.

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

- It was asked if the review of transport services included making better use of the buses available included services such as Dolen Teify. The Senior Business Support Manager reassured the Committee that the Authority was ensuring that they were making best use of the available resources and would look at the installation of charging points.
- Officers were asked what impact Covid had had on the demographics and also the effect of inward migration into the County.

Officers advised that they were uncertain when the census data would be received and that data regarding inward migration was not captured. It was confirmed that data would be fed through, however the timing of this was unknown.

UNANIMOUSLY RESOLVED that:

5.1 The 2022/23 – 2024/25 Revenue Budget Strategy Consultation be received;

5.2 The Charging Digest for the Social Care & Health Service, as detailed in Appendix C to the report, be endorsed.

EDUCATION & CHILDREN SCRUTINY COMMITTEE

The Committee considered the Council's Revenue Budget Strategy 2022/23 to 2024/25 which provided a current view of the revenue budget for 2021/2022 together with indicative figures for the 2023/24 and 2024/25 financial years. The report provided details of the budget process, the current Welsh Government provisional settlement issued on 21st December 2021 and the final settlement timetable and identified the validation and budget pressures that needed to be considered by Members in setting next year's revenue budget.

It was reported that, whilst significant work had already been undertaken in preparing the budget, the report represented an initial position statement which would be updated following the consultation process. Accordingly, Members were reminded that the report had been considered by the Cabinet at its meeting on the 17th January 2022 and members of the Committee had recently attended consultation events which had provided an opportunity to ask questions and seek clarification on various aspects of the budget.

The report indicated that, after adjustments for WG, identified transfers, the increase in the provisional settlement for Carmarthenshire was 9.2% (£26.335 million). The Aggregate External Finance (AEF) had therefore increased to £311.957 million in 2022/23 which accommodated teachers' pay and included £302k in respect of the Social Care Workforce Grant.

Committee's attention was drawn to section 3.5 of the budget strategy whereby an overview of the schools' delegated budgets was provided to Members. Whilst concerns were raised that many service specific grants remained at a similar level to previous years given the impact of pay awards and general inflation, it was reported to Members that for 2022/23, the RRRS grant would continue, and that the Additional Learning Needs (ALN) grant and Pupil Development grant would be enhanced

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

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

It was reported that the final settlement was due to be received from Welsh Government on the 1st March, 2022 and any amendments required to be considered in relation to the Budget Strategy arising from that announcement would also be considered by Council at its meeting scheduled for 2nd March, 2022. Officers addressed a number of member queries and observations, as follows: In response to a query regarding the take-up of the Hardship fund by Schools, Officers duly clarified the parameters in which schools could apply for the funding. It was explained to Members that common costs would usually be met from corporate departmental budgets. Furthermore, it was emphasised that individual school circumstances, in terms of the scale of impact from the Covid-19 pandemic in areas such as staffing, varied throughout the county. The Committee was assured to note that regular communication was provided to all schools to ensure all schools were aware of the funding available and encouraged to apply in accordance with eligibility criteria.

Committee referred to the provision of air purifiers for schools and queried the level of funding available to the Council. The Head of Access to Education clarified that funding in the region of £134k had been received to deal with ventilation and data was currently being collated to determine school requirements in this regard. Members were informed that a total of 36 air purifying units had been procured and allocated to date, which was sufficient to meet the current level of demand. It was however noted that the funding allocation for the longer-term solution would likely need to be enhanced to enable schools with identified ventilation issues to be retrofitted with appropriate filters. The Cabinet Member for Education referred to the Notice of Motion considered at a meeting of the Cabinet held on 17th January 2022 and reported that a response was awaited from the Minister to confirm the advice from the Technical Advisory Group and the WG progress in terms of the procurement and funding of Ultra Violet and/or High Efficiency Particulate Air Filters in schools.

In response to a query, the Cabinet Member for Resources reported that the Minister's letter which accompanied the settlement was explicit that Welsh

Government expects Council to meet the cost of any future pay awards from the improved settlement and confirmed that the 4% teacher pay awards for 2022/23 was reflected within the delegated budget.

Concerns were expressed regarding the reduction in the number of schools for 2024/25. It was clarified that a review of the Modernising Education Programme (MEP) was currently underway, following which the matter would be further considered.

The Committee commended the Director of Corporate Services and his team for the development of a budget against the backdrop of the Covid-19 pandemic and unprecedented circumstances, to ensure an appropriate provision of services for Carmarthenshire.

RESOLVED that:

5.1 The 2022/23 – 2024/25 Revenue Budget Strategy Consultation be received;

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

POLICY & RESOURCES SCRUTINY COMMITTEE

The Cabinet Member for Resources presented the Revenue Budget Strategy 2022/23 to 2024/25 which had been endorsed by the Cabinet for consultation purposes at its meeting on 17th January 2022. The report, which provided Members with the current view of the Revenue Budget for 2022/2023 together with indicative figures for the 2023/2024 and 2024/2025 financial years, was based on officers' projections of spending requirements and took account of the provisional settlement issued by Welsh Government on 21st December 2021. It also reflected the current departmental submissions for savings proposals. The impact on departmental spending would be dependent upon the final settlement from Welsh Government and the resultant final Budget adopted by County Council.

The budget proposals, as presented in the report, assumed the full delivery of all of the savings proposals submitted, together with the identification and delivery of the shortfall in savings proposals 2023-24 and 2024-25. Further cost reductions would need to be identified for years 2023/24 and 2024/25 to be able to maintain the current Budget Strategy and level of council tax.

It was highlighted that the critical importance of minimising the Council Tax increase for residents whilst maintaining a balanced budget in these unprecedented and challenging times was recognised.

Given the scale of the pressures and forecasted budget gap, Council Tax increases had been maintained at the previous MTFP levels of 4.4% for next year, with the savings identified in years 2 and 3 leading to indicative Council Tax increases of 3.4% and 3.8% respectively. It was considered that this would provide at least some mitigation to the savings proposals which the council needed to consider over future years of the Medium-Term Financial Plan.

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

In response to concerns about the number of vacancies at the Customer Services Centres the Committee was advised that every effort was being made to fill the posts and 4 appointments had been made the previous week;

The Head of Regeneration advised that a new lease had been agreed in regard to the Nant-y-Ci Livestock Market and it was likely that the first sale would take place in March;

In response to a question the Head of Revenues and Financial Compliance stated that the Department was in the process of seeking to fill the vacant posts in the Housing Benefits Administration team.

RESOLVED to accept the report and endorse the Charging Digest.

APPENDIX A – MEMBER BUDGETSEMINAR NOTES

Questions and Feedback

Corporate Overview

- It was clarified that the figure of £757k in the budget papers was an unallocated sum which could be applied according to what councillors felt was a priority – removal of savings proposal/additional growth/lower increase in council tax
- Concern over the already high level of inflation and that risk of it going even higher might have on budgets
- Clarification over the cessation of the hardship scheme on 1st April
- Recognition of the risk/uncertainty around future of social care demand
- Clarification on how unbudgeted covid expenditure would be met from uncommitted capital schemes
-

Education & Children's Department

- Query regarding up to date position on funding on ventilation for schools, but existing and new build
- Discussion on the importance of training / adaptation to distance learning for schools staff
- Confirmation that ICT equipment was provided to all families that needed it during the pandemic as well as paper packs where internet connectivity was an issue
- Concern over long term effects of the disruption to education
- Concern over sufficient funding for all schools to be able to respond to curriculum changes
- Concern that some pupils may have gone backwards in Welsh language skills if Welsh is not spoken in the home
- Clarification sought over the exact details on schools rationalisation proposals and concern over the impact on our small schools. Explanation given as to WG definition of what constitutes a small school
- Confirmation that WG small rural schools grant will end this year

- Clarification that income proposal from Garreglwyd would be offered to neighbouring authorities, minimising impact of families travelling excessive distances
- Explanation of how the EVR budget is built up and allocated
- Explanation of the operation of ASD provision across the county
- Confirmation that ALN funding allocation is being considered by the schools budget forum
- Concern over increases in the School Insurance Fund premia
- Concern over the impact of the proposal to reduce funding to 3rd sector
- Clarity sought over savings proposals linked to school meals and impact of WG primary universal free provision
- Suggestion that school kitchens could be used as hubs to eg offer meals on wheels

Communities Department

- Concern that current vacancies is putting increased pressure on existing staff
- Concern over backlog of assessments
- Issue of mental health raised, particularly in younger people
- Discussion over increased Pembrey Country Park pricing increased linked to increased investment over successive years
- Question over deliverability of St Clears LC savings
- Question over future timelines for day services opening
- Discussion over transport savings proposals
- Sentiment that more needs to be done to help citizens understand the services pressures faced by the department

Chief Executives Department

- Explanation on commercial rents reduction due to a combination of both increased voids combined with achievable rent levels.
- Discussion on agile working and 30% WG guidelines and what this means on base office vs touchdown vs home. Aspiration from members to have more face to face meetings but retain benefits of remote such as increased capacity – hybrid
- Concern that call centre figures to not include emergency / OOH so may be underestimated
- Discussion on pros and cons of shifting democratic meetings to evenings and consideration of a creche to support younger members applying
- Concern over poverty and reliance on foodbanks expected to continue for many
- Assurance provided to members on resilience and security of ICT systems
- Discussion on Levelling up funding
- Corporate Services Department
 - Assurance given on robustness of anti fraud measures implemented with additional grants funding to businesses
- Concern over increased demand on CTRS and HB and sufficient staffing
- Discussion on inductions for new staff when everyone is working from home.

- Discussion on procurement thresholds and importance which local procurement can play given scale of council expenditure
- Concern over rising inflation and whether it was adequately provided for in the budget

Environment Department

- Discussion over shift of parts of corporate property to Communities department and how they will support work on the housing stock
- Concern over further reductions to the highways revenue budgets and the need to lobby WG for funding
- Explanation of the pressure which waste amnesties create
- Discussion on the distinction made between active travel and levelling up bid for Towy Valley Path. Concern that active travel funding policy from WG does not favour rural constituencies
- Serious concerns over £3m capital grants reduced from WG
- Concern over funding required to address high number of substandard bridges
- Belief that current HWRC booking system is leading to increase in fly tipping
- Suggestion to increase workforce engagement to identify efficiencies
- Request that current agency workers be directly employed
- Update given on the electric rural buses pathfinder project
- Multiple members expressed their gratitude for the hard work and expertise during the pandemic and flooding response
- Proposal that the budget headroom be allocated to the department
- Clarification given that £500k was set aside in the budget to accelerate decarbonisation
- Update given on waste strategy and confirmation that it is still on target for 2024
- Concerns around planning enforcement
- Concerns raised over how successful introducing charging into additional car parks would be
- Discussion over pothole emergency repairs vs proper patching and risk of insurance claims
- Confirmation that advertising on roundabouts to raise income is being evaluated
- Request that utility company damage is made good and they are held responsible

APPENDIX B – CARMARTHENSHIRE LOCAL ACCESS FORUM RESPONSE

The Carmarthenshire Local Access Forum (LAF) understands that the budget proposal is to continue to fund the rights of way teams at existing levels. Whilst this is broadly acceptable under current circumstances, the LAF would like to remind the authority that it is a requirement for authorities to ensure that sufficient resources are devoted to meeting their statutory duties with regard to the protection and recording of public rights of way and that the rights of way network is in a fit condition for those who wish to use it. The LAF receives regular updates with regards to the state of the network and the number of outstanding issues. Unfortunately, these have been rising over recent years. The number of outstanding maintenance issues has grown 50% over the past 5 years to nearly 2,000, and the number of legal issues has more than doubled to over 800. The LAF feels that funding should be increased to help reduce these outstanding issues, improve the network further and ensure the authority meets its statutory duties. An improved rights of way network will help improve the health of the population, provide better amenities for residents and tourists, and reduce carbon emissions by ensuring people have to travel shorter distances to use the network. The LAF would also like to request that as a minimum funding levels increase year on year to cover inflationary costs that will be faced by the authority. Finally the LAF would also like to remind the authority that it needs to deliver its commitments under the Wellbeing of Future Generations Act, which may require additional funding.

Mae'r dudalen hon yn wag yn fwriadol

	ORIGINAL SAVINGS TARGETS			
	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000
Chief Executive	432	443	417	1,292
Education & Children	904	925	872	2,701
Schools Delegated	-	-	-	0
Corporate Services	180	184	174	538
Communities	2,471	2,530	2,383	7,384
Environment	1,222	1,251	1,178	3,651
	5,209	5,333	5,024	15,566

Proposals																
	MANAGERIAL				EXISTING POLICY PROPOSALS				NEW POLICY PROPOSALS				TOTAL PROPOSALS			
	2022/23	2023/24	2024/25	Total	2022/23	2023/24	2024/25	Total	2022/23	2023/24	2024/25	Total	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	304	282	269	855	0	0	0	0	0	0	0	0	304	282	269	855
Education	538	405	140	1,083	50	250	252	552	100	0	0	100	688	655	392	1,735
Schools Delegated	0	0	0	0	0	270	480	750	0	0	0	0	0	270	480	750
Corporate Services	180	180	75	435	0	0	0	0	0	0	0	0	180	180	75	435
Communities	1,703	2,232	1,980	5,914	0	0	0	0	0	0	0	0	1,703	2,232	1,980	5,914
Environment	772	259	776	1,807	20	30	10	60	0	0	0	0	792	289	786	1,867
	3,497	3,358	3,240	10,094	70	550	742	1,362	100	0	0	100	3,667	3,908	3,982	11,556

	SHORTFALL VS ORIGINAL TARGETS			
	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000
Chief Executive	128	161	148	437
Education & Children	216	270	480	966
Schools Delegated	0	-270	-480	-750
Corporate Services	-0	4	99	103
Communities	768	299	403	1,470
Environment	430	962	392	1,784
	1,543	1,426	1,042	4,010

DEPARTMENT	2021/22 Budget	FACT FILE	2022/23 Proposed	2023/24 Proposed	2024/25 Proposed	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Chief Executive							
Chief Executive, Business and Executive Support	237	Office of the Chief Executive, business and executive support	20	20	19	59	£20k for <u>22/23</u> Reduction in supplies, eg. photocopying / postages / vehicle hire & others. <u>23/24</u> and <u>24/25</u> can only be met by reducing the staffing structure within the service
Information Technology	4,088	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.	20	118	111	249	<u>2022/23</u> will be met by reduction in travel and stationery (£20k) . <u>2023/24</u> (£118k) and <u>2024/25</u> (£111k) can only be delivered by a reduction in the workforce. This will have a significant impact on our ability to delivery the key priorities of our Digital Transformation, Digital Technology and Digital Schools Strategy. Any posts lost from Corporate Policy will impact on our ability to lead and drive forward key corporate Initiatives. We would re-run the EVR request as a means to facilitate the delivery of this efficiency if no posts have become vacant in due course.
Statutory services / Coroners	372	The Coroner is an independent Judicial Officer and discharges his duties in accordance with the Coroners Act 1988. He has a duty to investigate deaths reported to him where he has reasonable cause to suspect that the death was violent, unnatural or of unknown cause or which occurs in prison.	18	0	0	18	Although efficiencies can be identified in the Coroner budget, the following must be highlighted: JNC for Coroners' pay has been agreed - 1.5% pay rise for 2021/22 with effect from 1st April 2021. Current budget can cover this. 2021-22 and 2022-23 will see one jury inquest with costs of approx £100k. Current review of amalgamation of the jurisdiction of Pembrokeshire/Carmarthenshire with Swansea/Neath Port Talbot is being picked up again post COVID, unknown at present whether this will cost more to Carmarthenshire or less.
Member Travel & Printing			27	0	0	27	Reduction in Travel & Printing following implementing of paperless meetings and Hybrid Meetings
People Management division	2,767	Includes Payroll, People Services, Organisational Development, Employee Wellbeing , HR Development Team, Business and Project Support	67	68	65	200	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.
Regeneration division	3,542	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.	70	30	30	130	<u>2022/23 Total £70k</u> , £20k - Anticipated increase in Income/reduction in operating costs on Administrative estate through New Ways of Working. £25k anticipated decrease in utility costs on administrative estate due to reduced occupancy through continued agile working. £10k reduction in community grants. £15k supplies within industrial estate budget. <u>2023/24 £30k</u> additional rental income from Swansea University Parc Dewi Sant. <u>2024/25 £30k</u> anticipated increase in income / reduction in operating costs on admin estate through new ways of working
Marketing & Media	1,914	Business Unit comprising of translation, marketing and tourism, contact centres, customer services, press and communications.	45	46	44	135	<u>2022/23 £45k in total</u> £20k reduction in event support scheme, we will look at better ways of helping communities develop their events through advice and promotion. £5k reduction in Tourist Information Centre costs as we hand back Castle House and relocate to the Hwb/Debenhams. £20k tourism marketing - reduction in printing and advertising. <u>2023/24 £46k</u> we would be looking at finding a large percentage of this within the translation service and in generating an income for services such as design, advertising and translation. <u>2024/25 £44k</u> - this can only be met by reducing staffing costs, this undoubtedly will have an impact on the work that we as a team deliver for the Council.
Departmental travel as per Transformation Innovation Change team exercise		Cross departmental travel costs	17	0	0	17	£17k reduction in departmental travel budgets
Departmental printing as per Transformation Innovation Change team exercise		Cross departmental printing costs	20	0	0	20	£20k reduction in departmental printing budgets
Chief Executive Total			304	282	269	855	

DEPARTMENT	2021/22 Budget	FACT FILE	2022/23 Proposed	2023/24 Proposed	2024/25 Proposed	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	

Education & Children

Director & Management Team

Business support Unit	408	Department Business support unit based at Parc Dewi Sant	50			50	Due to realignments which have changed the structure and workloads within the BSU a vacant post will not be filled.
Departmental - cross cutting	various across the dept	Cross-departmental support costs including administration, financial processing, & premises management	150	130		280	Reprofiled to allow implementation of programme due to link with school rationalisation. Root & branch review of support services across the Department in order to realise savings and increase flexibility
Departmental - cross cutting	various across the dept	Cross-departmental support costs including administration, financial processing, & premises management	100	125		225	BWOW, post covid, online conferences, travel
Total Director & Management Team			300	255	0	555	

Access to Education

Catering Services	1,701	<ul style="list-style-type: none"> The Catering Service provides school meals in all Carmarthenshire schools. Based on current charges for a primary school meal, Carmarthenshire prices are the joint highest in Wales. Costs have been saved over recent years by reducing staffing levels and smarter purchasing of food and other supplies The budget is for the provision of Free School Meals for eligible pupils with the paid meals being funded by income. The school meals service currently has a production kitchen (full kitchen facilities) in almost every school with a few having meals brought in from another school, where the receiving school has a dining centre arrangement. 		100	140	240	Reduced number of school kitchens subject to the progress of school rationalisation and review the need for full kitchen facilities at school sites.
Total Access to Education			0	100	140	240	

Education Services & Inclusion

School based Early Voluntary Retirement / redundancy (funded centrally)	233	Schools are currently provided with budget to fund Teaching Assistants (TAs) for pupils with a statement of educational need. If the pupil moves school, the TA can be redundant as they have been employed by a specific school.	0	50		50	Schools have been asked to communicate with the LA any projected redundancies. The Change Review Panel, will work closely with schools in an effort to re-deploy staff, thus avoiding any avoidable redundancy costs.
School Improvement	36	Release of Canolfan Griffith Jones training centre	25			25	BWOW, utilising Neuadd y Gwendraeth and on line courses removing requirement for facility
Consortia Arrangements School improvement	1,107	ERW into new partnership	50			50	As ERW is disbanded and the new partnership is evolving it is expected that there will be a reduced core contribution required from each LA
Total Education Services & Inclusion			75	50	0	125	

Curriculum & Wellbeing

Music Service	309	Carmarthenshire Music Service provides: weekly tuition to c.6000 children and young people across Carmarthenshire; curriculum teaching in line with requirements of the statutory national curriculum; access for pupils to perform in a wide range of instrumental and vocal ensembles; support for school concerts and other school-based events; opportunities for pupils to perform outside the county; access for more able and talented performers to represent the county at consortium and national level; access for over 4,000 pupils annually to attend the peripatetic teachers' concert tour; access to a bank of centrally held resources and equipment e.g. musical instruments, recording equipment etc; facilities to record and produce CDs of school and music service performances.	13			13	Travel Reductions
Total Curriculum & Wellbeing			13	0	0	13	

Children's Services

Garreglwyd ASD Residential Setting	444	Provision of residential care for children aged 11-19 who are autistic and have very complex needs at Garreglwyd Special Residential Unit.	150			150	The intention is to generate income at Garreglwyd from the sale of beds / residential places to neighbouring Authorities. There will be 2 spare places / beds from April 2022, which should generate sufficient income to meet the identified efficiency saving if sold at market rate.
Total Children's Services			150	0	0	150	

Education & Children Total

538 405 140 1,083

Corporate Services

Financial Services

DEPARTMENT	2021/22 Budget	FACT FILE	2022/23 Proposed	2023/24 Proposed	2024/25 Proposed	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
PRE LGR Pension Costs	1,860	Cost of Pre LGR Pension Costs	100	100	50	250	Reduction in call on budget over time
Bank Charges	68	Cost of Authority's Banking arrangements	5	5	0	10	Reduction in bank charges following negotiation of new contract
Treasury & Pensions Section	70,287	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	0	15		15	Increase in external SLA income for work undertaken for Wales Pension Partnership
Corporate Services Management Team	360	Departmental costs of Director, Head of Finance & Direct Support	10	0	0	10	Increase in external SLA income for work undertaken for Wales Pension Partnership
Accountancy	1,281	The provision of a decentralised accounting and financial management service, covering: • Technical Accounting (Preparation of final accounts, corporate accounting and taxation), • Management Accounting (Month end close, maintenance of financial records and budgeting) • Strategic Finance functions (projects, planning and financial advice to members)	0	0	25	25	Increase in external SLA income for work undertaken for Llesiant Delta Wellbeing
External Audit Fees	229	Cost of external audit fees	10	10	0	20	Reduction in external audit cost by maximising audit costs chargeable against grant schemes
Total Financial Services			125	130	75	330	

Revenues & Financial Compliance

Rates Relief	328	Cost to CCC of properties that are eligible and have successfully applied for discounts on their business rates	50	50	0	100	Demand is currently less than current budget provision
Total, Revenues and Financial Compliance			50	50	0	100	

Corporate Services General

General	12	Staff Travel	5	0	0	5	Reduction in staff travel by utilising technology
Total Corporate Services General			5	0	0	5	

Corporate Services Total**180 180 75 435****Environment****Highways & Transport**

Parking Services	(£1,066)	The County Council provides off street car parking facilities in towns and villages to support the expeditious movement of traffic to enable town centres to function. Parking supports these wider transport policy objectives and enables the authority to maintain highway and public transport services. There are 57 car parks across the county.	125	0	0	125	Parking services charges increases effective January 2021. Additional income added to budget on a phased approach basis, recognising the impact of COVID on reduced usage. This saving does not require any further increase.
Highways - town centre management	19	Town Centre Management Budget (Minor structural works, paved areas, bollards, street furniture) reductions will further increase risk to safety.	19	0	0	19	Cease the proactive maintenance work by moving to reactive repairs only in town centres. There may be opportunities for increased maintenance when grant funding could be utilised otherwise there is a possibility that town centre furniture will have to be removed.
Highways	365	Carmarthenshire has the second largest highway network in Wales (3482 Km of highway) and is more than double the Welsh average of 1578km. We have the third highest traffic volume in Wales - in 2018 the Wales average was 1.33 billion vehicle km/per year and Carmarthenshire were third at 2.06 billion (Cardiff 3.0 and RCT at 2.15 were highest). Our 3500km highway network is subject to many external influences which cause the asset to deteriorate such as weather impacts and traffic loading. There is a backlog of carriageway maintenance works in Carmarthenshire equating to £36 million, reductions will further increase risk to safety.	30	0	0	30	Reduce General Maintenance Budget - subject to the financial position remaining unchanged the service will be forced to further reduce the level of general maintenance work.
Depot rationalisation	various across the dept	Depot infrastructure to support the delivery of front line services.	0	0	140	140	Depot rationalisation

DEPARTMENT	2021/22	FACT FILE	2022/23	2023/24	2024/25	Total	EFFICIENCY DESCRIPTION
	Budget £'000		Proposed £'000	Proposed £'000	Proposed £'000	£'000	
Public Rights of Way	443	The Countryside Access Team has responsibility for the Definitive Map and Statement of Public Rights of Way in Carmarthenshire which is the conclusive legal record. Public Rights of Way include footpaths, bridleways, restricted byways and byways open to all traffic. There are urban and semi-urban routes in towns and villages but much of the 1,500 mile network is out in the countryside crossing fields, farmland and open country. It's a fantastic leisure and recreational resource for the people of Carmarthenshire and visitors to the County with the Wales Coast Path and numerous other walking/riding and cycling routes on offer. Enforcement and legal issues associated with the implementation of the Rights of way Improvement plan.	4	0	0	4	Reduce PRoW vehicles by 1
Service reconfiguration	net divisional budget of £21M	The strategic leadership, management, development and delivery of transport and engineering services for the Authority.	20	0	0	20	Divisional Service Reconfiguration - subject to the financial position remaining unchanged the service will be forced to reduce the level of staffing resource.
Road Safety	184	The Road Safety Unit is responsible for delivery of road safety initiatives to meet road casualty reduction targets. The unit has responsibility for road safety education, training and publicity, the School crossing patrol service, national driver improvement schemes and road safety outside schools.	5	5	0	10	Road Safety Innovation - the service will develop income streams and sponsorship.
Road Safety and Traffic Management	512	The Traffic Management, Road Safety and Parking Business Unit investigates and strives to prevent road accidents by utilising a mix of engineering, education and enforcement interventions across Carmarthenshire. With the third highest traffic volumes in Wales, managing the expeditious movement of traffic and improving road safety on the second highest length of road network in Wales, requires prudent management of a limited resource.	88	10	0	98	Increased income from Road Closures due to increased utility activity , this will be kept under review for future years due to its reactive nature. We don't know what level of utility works will be taking place in future years. If there's a downturn then our income will drop.
Streetworks and Adoptions	65	Co-ordination and management of all works affecting public highways in accordance with the Traffic Management Act - including utility works. Supervision of new housing estate roads in preparation for future adoption by Carms County Council under section 38 of the Highways Act.	15	0	0	15	Increased Income from permitting
Highways - stopping up orders	-5	Stopping Up Orders are made when sections of the existing highway become redundant. This happens for example when a road improvement is undertaken, land within the extent of the original highway limit that has become redundant is then stopped up via a legislative process and reverts to the landowner. Where there is a formal request received from a landowner to Stop Up an area of highway land, the proposal is to charge the respective landowner the associated costs for undertaking this work.	3	3	0	6	Stopping Up Orders
Design	-583	The Engineering Design Unit is responsible for the design and delivery of infrastructure Projects. Projects are diverse and range from small traffic management and passenger transport schemes through to new road constructions projects such as the Cross Hands Link Road. Engineering Design provides Engineering advice corporately across all departments of the authority. It also manages the 'Gateway' function for Regional frameworks for both Engineering Design and Engineering Contractors Frameworks.	30	0	0	30	Income Generation
School Transport	4,473	Provision of home to primary/secondary/special schools transport in accordance with statutory obligations. Provision of transport in the post-16 sector is a discretionary service. Provision of passenger assistants for pupils with Additional Learning Needs	0	30	110	140	Additional Needs Personal Travel Budgets
Property Design	-328	The property design, procurement and project management service, including regional design frameworks. Management and delivery of projects.	81	0	0	81	Additional income generation based on in-house expertise available to public sector partners and other markets as appropriate.
Asset Utilisation	various across the dept	Use of vehicles and plant with service users.		10	98	108	Client Budget reductions***. Invest to save
Total Highways & Transport division			420	58	348	826	
Planning							
Development Management	758	<ul style="list-style-type: none"> The Development Management Unit manages the statutory planning application process (including pre-application and also discharge of conditions and variation of conditions post approval). The Unit deals with between 1700 and 1900 applications on average each year (roughly 150 cases per annum per Officer). The unit is also responsible for planning enforcement matters including enforcement of planning conditions and unauthorised development and built conservation matters, dealing with roughly 500 cases per annum. 	10	0	0	10	Additional predicted income from new statutory pre-application service.

DEPARTMENT	2021/22 Budget	FACT FILE	2022/23 Proposed	2023/24 Proposed	2024/25 Proposed	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Divisional review	net divisional budget of £3M	• Budget covers Head of Service functions along with business and administrative support to all functions within the Planning Division including: Development Management & Built Heritage (incl. Enforcement); Building Control, Rural Conservation, Waste and Minerals, Forward Planning (Development Plans) .• Functions include general research and policy work, publishing and printing, business planning, budget planning, orders and payments, monitoring, health and safety, IT systems and licenses, general procurement.	87	35	0	122	Review of divisional management arrangements & structure
Total Planning division			97	35	0	132	
Property							
Property Maintenance	2,593	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.	98	0	0	98	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 Property division			98	0	0	98	
Waste & Environmental Services							
Reduction Black bag waste	6,988	Targeted campaigns to reduce waste and increase the awareness and use of all recycling schemes/initiatives. It is anticipated that this will result in the diversion of waste from the residual waste stream to the recycling waste stream, thereby realising savings due to the differential in the treatment costs as set out.	35	35	150	220	Anticipated savings due to differential in gate fee between blue bag and black bag treatment as a result of proposed kerbside black bag restrictions.
Bring sites - Operational	419	Bring sites are located across the County to provide recycling facilities within communities. They currently cater for glass deposits.	37	37	0	74	Potential to reduce the number of service vehicles due to fewer Community Bring Sites being operated. The saving will be phased over two financial years to reflect the introduction of kerbside glass collections from October 2022 with half the saving in 22/23 and the balance in 23/24.
Waste Services - operational	2,926	The operational budget includes for the provision of resources, including vehicles and premises to effect the kerbside waste collection service.	0	0	200	200	Review of waste rounds and depot utilisation, subject to the conclusions of the kerbside collection methodology review. This will be dependent on the agreed direction of the Waste Strategy and the phasing and rollout of the new services.
Closed Landfill	257	We currently manage the ongoing aftercare at two former refuse landfill sites - Nantycaws (Phase 1) in Carmarthen and Wern Ddu in Ammanford. This includes dealing with leachate from the landfill sites and ensuring the adequacy and functionality of the infrastructure, including drainage systems.	5	5		10	Reduction in maintenance of infrastructure.
Cleansing	2,571	The County Council maintain over 3,500km of roads throughout the County. The Cleansing Service provides for the sweeping and de-littering of streets and footways. The service includes mechanical sweeping of highways, footways and pedestrianised town centre areas, hand litter picking and emptying bins, chewing gum removal, graffiti and illegal poster removal, clearing up illegal dumping of rubbish and dog mess.	0	69	33	102	Phased rationalisation of plant (sweepers) and labour (agency). Savings identified for 22/23 have been netted off against a need for additional resource to combat fly-tipping as identified in the Audit Wales report on Waste. Hence growth bid has been negated.
Flood defence	358	Design, construction, maintenance, repair and management of flood defence works. Investigation of causes of flooding.	20	15	15	50	Reduction in maintenance work and small scale repairs on flood defence assets such as trash screens and control valves.
Coastal Protection	62	Design repair and maintenance of Coastal Protection Schemes.	5	0	0	5	Reduction in reactive maintenance work and small scale repairs on flood defence assets such as repairs to walls, structures and outfalls.
Environmental Enforcement	549	The Environmental Enforcement section is responsible for providing enforcement activity in relation to environmental crime. This includes matters relating to dog fouling, litter, fly tipping, waste carrier offences, domestic and business waste offences, abandoned vehicles, anti-social behaviour for example graffiti, highways offences and skips and scaffolding. Enforcement is effected by means of formal notices, fixed penalty fines and prosecutions.	5	0	25	30	22/23 - £5k reduction in promotional materials and consumables. 24/25, potential income generation and / or SLA agreements with neighbouring authorities
Grounds maintenance - Reduced sub-contractor work	1,216	The Grounds Maintenance Section incorporates the direct responsibility of managing and maintaining parks and playgrounds, inland water areas and a large number of public open spaces within Carmarthenshire. It also maintains grounds for many other departments of the County Council such as Social Care and Housing, Cultural Services, Education and many individual schools. The Section also has numerous external clients such as Town and Community Councils and private sports clubs.	20	5	5	30	Reduce the reliance on sub-contractors through greater internal efficiencies.

DEPARTMENT	2021/22 Budget	FACT FILE	2022/23 Proposed	2023/24 Proposed	2024/25 Proposed	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Review of staffing	net divisional budget of £22M	The budgets that make up the management structure of the Waste and Environmental Services staffing structure.	30	0	0	30	Review management structure.
Total Waste & Environmental Services			157	166	428	751	
Environment Total			772	259	776	1,807	

Communities

Leisure

St Clear's Leisure Centre	109	There are 6 Leisure Centres in operated by the Council in Carmarthenshire: Llanelli, Carmarthen, Ammanford, Llandovery, St Clears and Newcastle Emlyn. A variety of activities take place at these centres such as: Swimming, Diving, Canoeing, Fitness, Cycling, Badminton, Tennis, Table Tennis, Squash, Hockey, Netball, Basketball, Football, Rugby, Cricket, Gymnastics, Birthday Parties, Holiday programmes. There are normally over a million visits to the Leisure facilities annually Typically our Leisure facilities attract over a million per annum, collecting £4m in income. 2020/21 has seen usage numbers and income crippled to around 25% of normal levels as the coronavirus lockdown and restrictions affect trading. A new Actif Anywhere online service has been launched to compliment the physical offer at sites during this unprecedented period.	0	38	0	38	Improve operating efficiency of St Clears Leisure Centre as part of strategic review. Overall controllable operating budget is £109k
Outdoor Education	188	Pendine Outdoor Education Centre caters for up to 120 residential visitors at any given time, with a particular focus on primary school provision for Carmarthenshire schools. The experience is often the first opportunity for some young children to experience being away from home on a residential basis, however, the age of the infrastructure on site is of concern for the future.	20	50	0	70	Improve operating efficiency of Outdoor Education Centres pending new strategic plan.
Franchise Lettings	0	An indoor and outdoor high quality, year-round visitor destination that aims to maximise Pendine's heritage and its natural assets to drive forward the resort's future economic regeneration as a 'day and stay' event destination	25	50	0	75	Improved income streams from franchise lettings across whole service.
Increased Parking income	0	Increased parking income at coastal car parks and potential development of motorhomes sites	15	15	15	45	Increased parking income at coastal car parks and potential development of motorhomes sites
Country Parks	-61	Pembrey Country Park is one of the most visited outdoor facilities in Carmarthenshire and Wales, regularly attracting around half a million users annually. Whilst usage numbers have fluctuated this year with lockdowns and restrictions, the park was busier than ever during August, highlighting the value people put on great and safe outdoor spaces. The park has an 8 mile beach, a 320 pitch caravan and camping site, 550 acres of woodlands, a 130m long dry ski slope and toboggan run in Wales, along with a new Crazy Golf course, 9 hole pitch and putt facility, a miniature model steam railway, a riding centre, and the National Closed Road Cycle circuit and pump track.	12.5	25	50	88	Increased Pembrey Country Park / Campsite income - Invest to Save / capital for additional income generating activities
Leisure Centres	488	There are 6 Leisure Centres in operated by the Council in Carmarthenshire: Llanelli, Carmarthen, Ammanford, Llandovery, St Clears and Newcastle Emlyn. A variety of activities take place at these centres such as: Swimming, Diving, Canoeing, Fitness, Cycling, Badminton, Tennis, Table Tennis, Squash, Hockey, Netball, Basketball, Football, Rugby, Cricket, Gymnastics, Birthday Parties, Holiday programmes. There are normally over a million visits to the Leisure facilities annually Typically our Leisure facilities attract over a million per annum, collecting £4m in income. 2020/21 has seen usage numbers and income crippled to around 25% of normal levels as the coronavirus lockdown and restrictions affect trading. A new Actif Anywhere online service has been launched to compliment the physical offer at sites during this unprecedented period.	0	0	200	200	New leisure facilities in Llanelli and Carmarthen to drive additional income generating activities. New membership scheme income based on assumption that existing memberships will return to pre pandemic levels by April 2022
Y Gat Craft Centre	69	Arts venues include Oriel Myrddin Art Gallery in Carmarthen, Y Gât in St. Clears and the Dylan Thomas Boathouse, Laugharne Y Gât (formerly known as St. Clears Craft Centre) is an arts facility that also hosts the local library and an in-house catering facility. The facility has an open gallery / shop area along with conference rooms facilities and studio spaces for local artists to hire.	0	15	0	15	Discussions ongoing with Town Council and as part of 10 town planning.
Libraries	2,475	Carmarthenshire libraries provide an extensive choice of books, DVDs, CDs, online services, newspapers and magazines. With over half a million books on offer between 3 regional, 13 branch and mobile libraries, the service offers invaluable support and access to Carmarthenshire residents. Public access computers and Wi-Fi are available at all libraries, and typically, the service issues over 600,000 books per year. The mobile service provides a valuable outreach services to rural parts of the County, linking up with various partners to deliver public information services online.	10	10	10	30	Increased operational efficiency
Print	16	Print savings across all Leisure Services	8	0	0	8	Based on 50% reduction of 2021-2022 budgets

DEPARTMENT	2021/22 Budget	FACT FILE	2022/23 Proposed	2023/24 Proposed	2024/25 Proposed	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Travel	20	Print savings across all Leisure Services	10	0	0	10	Based on 50% reduction of 2021-2022 budgets
Total Leisure			101	203	275	578	

Integrated Services

Domiciliary Care	13,980	<p>Domiciliary Care is provided to approx 1,000 individuals in the county in. On average over 11,000 hours per week are delivered by in-house and independent domiciliary care agencies.</p> <ul style="list-style-type: none"> - Around 250 individuals receive care from two carers (known as "double handed" care). - Approx 170 individuals receive a large package of care involving 4 calls per day. - Fulfilled Lives is a model of domiciliary care which has been developed for individuals living with dementia which has demonstrated that the service can maintain people living at home for longer than traditional domiciliary care. The plan is to expand the service to cover the entire county. - The Reablement Service provides short term domiciliary care. The number of clients who receive Reablement is over 500 and 55% leave the service with no long term care package. - Information, Advice and Assistance (IAA) and the Carmarthenshire United Support Project (CUSP) are both preventative services which support individuals to maintain their independence without the need for statutory social services. By increasing the proportion of referrals that go through IAA or CUSP, it reduces the demand on statutory services. - The specialist Continence service has been established within Community Nursing. By providing the right continence products to meet the individual's continence needs, it is possible to reduce the number of visits per day of domiciliary care. 	510	675	475	1,660	<ul style="list-style-type: none"> -To reduce the number of clients receiving small packages by 125 people (50%), in line with recommendations of Prof Bolton -Reduce the number of people receiving 4 calls per day or more by 1%. This equates to 11 people per year. -Increase number of people with dementia receiving Fulfilled Lives service from 85 (July 2021) to 105 in Year 1, 125 in Year 2, 140 in Year 3. (The figure in March 2019 was 39) -To increase the number of people not requiring a long term service - To reduce double handed care by a further 20 cases in Year 1; 20 in Year 2; Maintain in Year 3.
Extra Care		Extra Care facilities provide supported accommodation as an alternative to a residential care home placement. There are 4 extra care facilities (Cartref Cynnes, Ty Dyffryn, Plas y Môr and Cwm Aur) for older people. A domiciliary care service is provided to those tenants living in the Extra Care facilities who require care and support. The aim of Extra Care is to avoid or delay the need for a residential care placement. Residential care is provided in local authority and private sector care homes for individuals who can no longer live independently in the community.	50	50	50	150	<p>EXTRA CARE Increase in number of Extra Care Category A residents with complex care needs. Extra Care is a strategy to reduce residential placements.</p> <p>TARGET: Increase number of people in Cat A flats from 68 (average 2020-21) to 77 by 2024-25, thereby preventing 9 placements.</p>
Residential Homes		Residential care homes provide accommodation as well as 24-hour personal care and support for older people and adults who struggle to live independently, but do not need nursing care. Residential care homes help people manage daily life, such as assisting with getting dressed, washing and eating.	50	150	150	350	Residential Care Manage Demand from hospital including CHC + Out of County placement
Cross Departmental - Print		Reduction in print budgets following better ways of working	2	0	0	2	Reduction in print budgets following better ways of working
Cross Departmental - Travel		Reduction in travel budgets following better ways of working	25	0	0	25	Reduction in travel budgets following better ways of working
Total Integrated Services			637	875	675	2,187	

Adult Social Care

Shared Lives		Shared Lives provides placements for individuals with Learning Disabilities or Mental Health issues with families that have been approved as Shared Lives Carers.	110	55	55	220	Shared Lives – Stepping down two individuals from residential care
Residential and Supported Living		Supported Living is provided for those individuals with Learning Disabilities or Mental Health issues who need support with daily living tasks to remain in the community. Support is provided from staff in the setting which can range from a few hours to 24/7 in some circumstances. Promoting independence is a key aspect of supported living.	165	550	550	1,265	Rightsizing of placements to maximise independence and mitigate against over provision, deregistration of residential care to Supported Living. Collaborative opportunities for income including grants
Day Services		Day services are provided for individuals with a Learning Disability by a number of external providers, particularly those with the most complex needs. The vision for the in house day service is that our building based service will cater for those with the most complex needs, thus reducing the reliance on external provision.	330	165	55	550	Accommodating individuals with complex needs in house provision in line with transformation plans to accommodate those with the most complex needs in building based services, and maximise use of community and local authority provision to promote independence.
Print		Reduction in print budgets following better ways of working	3	0	0	3	Based on 50% reduction of 2021-2022 budgets
Travel		Reduction in travel budgets following better ways of working	32	0	0	32	Based on 50% reduction of 2021-2022 budgets
Total Adult Social Care			640	770	660	2,070	

Homes and Safer Communities

DEPARTMENT	2021/22 Budget	FACT FILE	2022/23 Proposed	2023/24 Proposed	2024/25 Proposed	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Financial Investigator		A financial investigation team has been set up to investigate illegal trading activity across the County, including on-line. Where illegal activity has been proved through the Court system we also implement the Proceeds of Crime legislation (POCA) that means we any profits that are made from this illegal activity are returned to a variety of statutory agencies. Any individual who has lost out can also be re-imbursed.	0	200	200	400	Additional income as a result of pro-active work carried out by our newly created Financial Investigation Unit.
Print		Reduction in print budgets following better ways of working	8	0	0	8	Based on 50% reduction of 2021-2022 budgets
Travel		Reduction in travel budgets following better ways of working	21	0	0	21	Based on 50% reduction of 2021-2022 budgets
Public Protection & Housing		The service provides business support for Homes & Safer Communities.	50	50	50	150	Reduction in business support through implementation of new systems and agile working
Public Protection & Housing		The service provides business support for Homes & Safer Communities.	70	50	20	140	Modernisation of business processes
Total Homes and Safer Communities			149	300	270	719	
Business Support and Commissioning							
Print		Reduction in print budgets following better ways of working	18	0	0	18	Based on 50% reduction of 2021-2022 budgets
Travel		Reduction in travel budgets following better ways of working	7	0	0	7	Based on 50% reduction of 2021-2022 budgets
Postages			4	4	0	8	
Departmental Managerial Restructure		The service provides business support for Social Care. The functions include payment of creditors, management of transport and premises; the assessment and collection of income for residential and non residential services; and general business support	75	0	0	75	Review of Managerial posts across Communities Department
Transport		The service provides transport support for Social Care.	70	80	100	250	Review of Transport for service users, making better use of the buses available, and increasing contracted in work
Total Business Support and Commissioning			174	84	100	358	
Performance and Business Transformation Teams							
Print		Reduction in print budgets following better ways of working	1	0	0	1	Based on 50% reduction of 2021-2022 budgets
Travel		Reduction in travel budgets following better ways of working	1	0	0	1	Based on 50% reduction of 2021-2022 budgets
Total Performance and Business Transformation Teams			2	0	0	2	
Communities Total			1,703	2,232	1,980	5,914	

DEPARTMENT	2021/22 Budget	FACT FILE	2022/23 Proposed	2023/24 Proposed	2024/25 Proposed	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'001	£'000	

Education & Children

School Improvement	1,508	The Council is obliged to employ a notional number of officers to provide a School Improvement Service to meet the needs of our schools. With a reduced number of schools it is possible to review this notional figure.	0	0	122	122	Reprofiled due to direct link to review of MEP. Reduction in School Challenge Advisor levels equivalent to 1 FTE on the basis that the school rationalisation programme is progressed.
Education Otherwise than at School	1,918	This service meets the needs of learners who, due to a wide range of often complex behaviour and engagement issues, cannot access education in mainstream schools. These learners require a bespoke and specialist package of support.	50	0		50	Under this proposal, the council will increase the partial recoupment from schools (to consider more elements of the placement costs e.g. officer time, administration, monitoring, progress reviews etc). Currently, the Council only recoups the pupil funding element from the pupil's main school.
Additional Learning Needs	650	A review of all specialist settings and provision in light of the impending ALN Transformation and our Behaviour Services Review with the aim of upskilling school staff to deal with a range of ALN and implement our Inclusion Policy	0	70	30	100	This has been reprofiled from 2021-22 to allow for implementation post covid recovery with an intended commencement of Sept 2022. We will maintain the workforce on an outreach basis so that the pupils attend their local school and benefit from the additional support which could therefore become more widespread. It is expected that the TAs could be redeployed as part of the development of the centrally coordinated SEN support pool releasing part of this specific budget area.
Departmental - across Education Services	15,771	The majority of the Services' budgets are for the support, administration and management of the schools - School improvement, Grant support, Data, Admissions, School Meals, Music Service, ALN, safeguarding to name a few	0	180	100	280	Reprofiled due to direct link to review of MEP. Rationalising of Primary Schools will reduce the level of support required. The savings would actually be managerial as service provision would not be reduced, however it is a policy decision that would enable this efficiency to be delivered

Education & Children Total

50 250 252 552

Schools Delegated Budget

Primary School Delegated Budget	62,843	<ul style="list-style-type: none"> This is the budget delegated to every school under the Fair Funding formula. The budget is to meet all the costs associated with running a school e.g. staff costs, premises costs, SEN specialist support, Service Level Agreements for specific services such as HR, IT, Legal, Grounds Maintenance, Music. 		270	480	750	It is proposed that we review our primary schools footprint identifying schools that are disproportionately expensive to operate and finding it challenging to sustain educationally effective teaching and learning structures due to low pupil numbers. Through carefully selected decommissioning and strategically driven school investment and federations the primary school estate could be reduced. Rationalising the number of schools will improve the financial stability of the remaining schools and reduce demands on a range of County Council services e.g. Finance, HR, catering, cleaning.
---------------------------------	--------	--	--	-----	-----	-----	--

Schools Delegated Budget Total

0 270 480 750

Environment**Waste & Environmental Services**

Household Waste Recycling Centres (HWRC)	total budget for Waste is £16M	There are currently four HWRCs located across the County that serve all communities. The HWRCs are normally open 7 days a week.	20	30	0	50	Reduce opening days of Household Waste Recycling Centres - exact days and sites to be based on data-driven usage.
Commercial opportunity - income from Japanese Knotweed Treatment (net)	total budget for Grounds £1.2m	The grounds maintenance team arranges the treatment of Japanese Knotweed with respect to its own assets and other landownership across the Council.	0	0	10	10	Potential to treat knotweed for external clients, subject to wider corporate consideration on commercial activity that service departments can undertake.
Total Waste & Environmental Services			20	30	10	60	

DEPARTMENT	2021/22 Budget	FACT FILE	2022/23 Proposed	2023/24 Proposed	2024/25 Proposed	Total	EFFICIENCY DESCRIPTION
	£'000		£'000	£'000	£'000	£'000	
Education & Children							
Additional Learning needs	650	The Authority has 5 Observation and Assessment Units (for ALN) based in 3 schools which pupils attend from across the county and are resourced with Teachers and TA's.	100			100	We would look to de-commision the Observation and Assessment Units however we will maintain the workforce on an outreach basis so that the pupils attend their local school and benefit from the additional support which could therefore become more widespread. Observation and assessment will be carried out in the mainstream as opposed to specialist settings.
Education & Children Total			100	0	0	100	

Mae'r dudalen hon yn wag yn fwriadol

Demographic, Legislative or continuing pressures APPENDIX C

	Description	2022/23 £'000
IT Hardware replacement scheme	Balance of Laptop Replacement scheme funded in previous year (increased requirement)	56
Election 2022	To provide sufficient funding for 2022 County Council elections	100
Recruitment of childcare paralegal	Increased requirement for legal support - increased caseload as well as increased complexity	30
Senior Property Lawyer	To provide recurrent funding for existing post which has been reserve funded	81
Loss of income - provisions markets	Sustained reduction in the level of rents achievable in provisions markets	60
Loss of income - commercial estate	Increased average voids combined with sustained reduction in rents achievable	310
Increase in Member allowances	Net budget increase required to meet recommendations of Independent Remuneration Panel for Wales (IRPW) which is a legislative requirement	200
Increase in Trade Unions facilities time	Funding to provide for increase in TU facility time	50
Carmarthen Hwb	Holding cost pre-construction works	200
Pentre Awel	Establishment of a budget to fund the Pentre Awel project team now the project is entering a critical and intensive phase	250
Total for the Chief Executives Department		1,337
Delegated School Budgets ALN	additional funding for delegated budgets and increased Additional Learning Needs demand (combination of schools & department budgets)	2,000
Department budgets ALN		
Delegated School Budgets		
Childrens Services	Increased funding for social work team required to address significant caseload post COVID19	300
School Meals Service	Contractual increases from supplier driven by double digit wholesale food price inflation	190
Departmental budgets	additional funding to cover a range of pressures including direct payments, safeguarding and youth services and increase in home educated children	300
Total for the Education & Childrens Department		2,790
Demographic Growth 2.7% on older peoples budgets	Based on forecasts for population growth for over 75 age group and anticipation of increased intensity of care needs	1,643
NATIONAL Living Wage Increase - £8.91 to £9.50 - Additional Increase above inflation	Actual increase of 6.6% applied to wage component of commissioned care	1,430
Additional increase to FOUNDATION Living Wage (to £9.90)	Included within WG Programme for Government. Minister's letter instructs Local Authorities to provide from base budgets	2,448
Social care levy effect on commissioned care	Impact of National Insurance increase on commissioned care providers - updated from draft budget	500
Total for the Communities Department		6,021
Total for the Corporate Services Department		-

Waste	Increased cost of Waste Service delivery change (nb part year effect only)	1,294
Planning	3 new posts to address service areas of improvement plus £20k school greening fund	158
Highways	Increase Drainage and Gully Cleansing provision in recognition of Climate change increased frequency / severity of adverse weather events	200
Public and School Transport	Combination of Driver shortages and additional ALN demand	300
Public Rights of Way	Increased investment in Rights of Way recognising their role in exercise and wellbeing to local communities	50
Total for the Environment Department		2,002
Corporate Joint Committees	Levy notified to Carmarthenshire from new CJC	155
Energy (corporate)	Updated from draft budget - Crown Commercial Services purchasing strategy has mitigated the worst effects of wholesale prices volatility but overall corporate energy increase is c. 16% of total bill	500
TOTAL		12,805

CABINET
21^{ain} CHWEFROR 2022

**RHAGLEN GYFALAF PUM MLYNEDD (CRONFA'R CYNGOR) -
 2022/23 - 2026/27**

ARGYMHELLION Y BWRDD GWEITHREDOL:

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

1. Y rhaglen gyfalaf pum mlynedd a'i ariannu yn unol ag Atodiad A, gyda chyllideb 2022/23 yn un bendant a chyllidebau 2023/24 i 2026/27 yn rhai mynegiannol.
2. Bod y rhaglen yn cael ei hadolygu, fel sy'n arferol, os na cheir y cyllid allanol neu o'r cyngor sir a ragwelwyd.
3. Cymeradwyo'r strategaeth gyfalaf (Atodiad C),
a
4. Bod y Cabinet yn dirprwyo i Gyfarwyddwr Gwasanaethau Corfforaethol, mewn ymgynghoriad â'r Prif Weithredwr, Arweinydd ac Aelod o'r Cabinet dros Adnoddau, awdurdod i wneud unrhyw newidiadau sy'n angenrheidiol o ganlyniad i setliad terfynol Llywodraeth Cymru, setliad a gyhoeddwyd ar 1^{af} Mawrth 2022.

Y RHESYMAU:

Galluogi'r Awdurdod i gytuno Rhaglen Gyfalaf Pum Mlynedd 2022/23 i 2026/27.

Ymgynghorwyd â'r pwyllgor craffu perthnasol - DO

Angen i'r Cabinet wneud penderfyniad OES

Angen i'r Cyngor wneud penderfyniad OES

YR AELOD O'R GABINET SY'N GYFRIFOL AM Y PORTFFOLIO: Cyng. David Jenkins

Y Gyfarwyddiaeth:

Enw Gyfarwyddwr y
Gwasanaethau Corfforaethol:

Randal Hemingway
Awdur yr Adroddiad:
Randal Hemingway

Swydd:

Pennaeth Gwasanaethau
Ariannol

Rhif ffôn: 01267 224886

Cyfeiriad E-bost:
RHemingway@sirgar.gov.uk

**EXECUTIVE SUMMARY
CABINET
21ST FEBRUARY 2022**

**FIVE YEAR CAPITAL PROGRAMME (COUNCIL FUND) – 2022/23
TO 2026/27**

The report brings together the latest proposals for the five-year capital programme 2022/23 to 2026/27, taking account of the consultation exercise undertaken and the revenue implications arising from the programme.

The proposed gross expenditure on the capital programme for 2022/23 is £146.244m with the projected funding being £57.736m from the county council's own resources using borrowing, reserves, general capital grant and, the balance of funding of £88.508m coming from external sources. These figures include projects delayed in 2021/22, mainly because of Covid-19 restrictions, that have been carried over and built into the budgets of future years.

The capital programme is projected to be fully funded over the five years.

It includes projected expenditure on the Swansea Bay City Region Deal projects against which the authority will borrow, with the funding being returned from both Welsh and UK governments over a 15-year period (from 2018/19).

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

DETAILED REPORT ATTACHED?

YES

CONSULTATIONS

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

Signed: Randal Hemingway Head of Financial Services

(Please specify the outcomes of consultations undertaken where they arise against the following headings)

1. Scrutiny Committee

Relevant Scrutiny Committees will be consulted.

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

**CABINET 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:**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2021/22 – 2025/26 Capital Programme		Corporate Services Department, County Hall, Carmarthen. On-line via corporate website – Minutes of County Council Meeting 3 rd March 2021.
2022/23 – 2026/27 Capital Programme		Corporate Services Department, County Hall, Carmarthen.

REPORT OF DIRECTOR OF CORPORATE SERVICES

CABINET

21st FEBRUARY 2022

FIVE-YEAR CAPITAL PROGRAMME – 2022/23, 2023/24, 2024/25, 2025/26 and 2026/27

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 2022/23, 2023/24, 2024/25, 2025/26 and 2026/27.
- 1.2. This report reflects the position following consultation and sets out the proposals for the authority's capital programme for the next five years.
- 1.3. Since consultation: references to 21st Century Schools Grant funding have been replaced with Sustainable Communities for Learning; in line with a recent rebranding of education grants by the Welsh Government, and an additional £1.4m for Highway Maintenance in 2022/23 has been made available, financed by unsupported/prudential borrowing, which increases the total for Highways for the year to £3m. A further £4.7m is included as funding for Pentre Awel which takes account of the latest estimated costs, and the funding from the external private finance (investment markets) is now shown as borrowing rather than grant.
- 1.4. The authority is required to approve a rolling capital programme each year as part of its budget setting process. This facilitates forward planning and is consistent with the requirements of the Prudential Code in terms of financial planning and funding while assisting officers in bidding for external funding.
- 1.5. The Cabinet needs to consider the detailed proposals within the report and approve the recommendations in accordance with council policy.

2. CONSULTATION

- 2.1. The detailed provisional capital programme (Appendix A) was presented to the Policy and Resources Scrutiny Committee on 2nd February 2022 to seek

their views on the proposals. An extract from the relevant Committee meeting minutes is appended (Appendix B) for information.

3. BACKGROUND

- 3.1. Last year the authority agreed a fully funded five-year capital programme 2021/22 to 2025/26 which was approved at County Council on 3rd March 2021.
- 3.2. 2021 was another unprecedented year and saw us reprioritise our capital strategy and capital programme to reflect the desire to boost local businesses and local economies in response to the Covid-19 pandemic. This commitment remains our focus in the coming years and coupled with the UK Government's levelling up funding will see significant investments to boost the Carmarthenshire economy. Following a particularly disappointing capital provisional settlement from the Welsh Government, which reduced by over £1.8m unhypothecated capital funding, we will bring forward plans to increase borrowing to support our plans. The capital programme was revisited by the Strategic Assets Steering Group (SASG) and the Corporate Management Team. Departments also submitted proposals for new and urgent projects for the programme. Projects have been assessed and prioritised with only the highest priorities being included in the programme.
- 3.3. The proposed capital programme is attached in Appendix A and shows the anticipated expenditure and sources of funding over the five year period.
- 3.4. The proposed Capital Programme and Funding is based on Welsh Government's (WG) Provisional Settlement, received on 21st December 2021. This year the general capital funding across Wales is reduced from £177m in 2021/22 to £150m for 2022/23. For Carmarthenshire this means a reduction in funding from £11.866m to £10.037m, some £1.829m. This reduction has caused an unexpected shortfall in our funding for the first year of the programme. Capital funding returns to higher levels at £180m across Wales from 2023/24 and is supplement with further funding specifically for decarbonisation projects. The programme reflects this funding. The Final Settlement is due on 1st March - should there be any amendments in the funding figures, Cabinet will be asked to delegate to the Director of Corporate Services authority to adjust the programme accordingly, in liaison with the Chief Executive, Leader and Cabinet Member for Resources. Similarly, delegated authority to update the programme is sought should any other award of grant funding be received at the same time, for example, transport grants, again in consultation with the same.

4. PRIORITIES

- 4.1. The current Corporate Strategy for 2018-2023 (refreshed June 2019) sets out the Authority's strategic priorities, aspirations, overarching themes and core values, and the programme has been developed in line with these, whilst also

recognising the priorities that have come forward as a consequence of the pandemic and Levelling Up funding.

- 4.2. The proposed capital programme of £275m over the five years is aimed at delivering a number of key projects that will create jobs and improve the quality of life for the people of Carmarthenshire. Including the delivery of the £87m Zone 1 Pentre Awel development which includes a £27m leisure centre element in Llanelli, the £19m Tywi Valley Path between Carmarthen and Llandeilo, the new £20m Town Centre Hub in Carmarthen, and upgrades to the community sport facilities in Ammanford.

The key investments within the programme are:

	£'m
Schools	73
Housing (Non HRA)	11
Leisure & Culture	2
Regeneration	39
Swansea City Deal Region	79
ICT and Property	4
Environment	67

5. FUNDING

The provisional settlement received from WG allocated capital funding of £10.037m for the Authority in 2022/23, made up of Non-hypothecated Supported Borrowing of £5.942m and General Capital Grant of £4.095m. This is a £1.829m reduction from the 2021/22 award and has caused an unexpected shortfall in our funding for the year. It returns to £12.044m in years two to five of the programme and is also supplemented by a further £1.3m per annum for decarbonisation projects, based on figures provided in the provisional settlement.

- 5.1. The level of capital receipts funding included within the programme has been revised in line with latest estimates. Capital receipts of £3.5m will be applied over the five year period. It should be noted that there may be a need to amend future capital programmes if there is a shortfall in expected receipts.
- 5.2. The use of earmarked reserves was approved as part of previous years' reports and were included as funding for the current capital programme. In total some £36.5m of reserve funding is included over the five years of the programme.
- 5.3. The existing levels of investment into the schools estate programme is maintained with a realisation that additional funding will be needed in future years to deliver the whole MEP programme. New funding will be dependent on the ongoing MEP review which will be presented in a future report. The ongoing MEP review was agreed at a recent meeting of the cabinet.
- 5.4. 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 £134.1m which includes £38.5m for City Deal projects and £33m for Levelling Up projects.

5.5. As part of the provisional annual settlement from Welsh Government, funding was made available on an all Wales basis for the following areas:

- Active Travel Fund, Local Transport Fund, Road Safety and Safe Routes in Communities - £94m for 2022/23. Carmarthenshire will bid for funding from these grants and any successful awards will be added to the capital programme in due course.
- Ultra-low Emissions Vehicles Transformation - £15m. Carmarthenshire will be bidding for projects under this funding, all-be-it this appears to have dropped from 2021-22.

5.6. Disappointingly, no award was made for Highways Refurbishment or Resilient Roads funding as in previous years, so in order to avoid revising down our commitments in this area, we have identified funding from our own resources to mitigate the loss of funding. The grant in previous years received by Carmarthenshire was £1.5m and £2m respectively.

5.7. Given our significant investments in years 1 and 2 of the programme and the reduced capital settlement from WG we propose to make use of unsupported borrowing, short-term, to prevent what would otherwise be a shortfall in funding at the start of the programme. This will be repaid in years 3, 4 and 5 of the programme where funds are available.

6. CAPITAL PROGRAMME 2022/23 TO 2026/27

6.1. When the capital programme was approved at County Council on 3rd March 2021 it was fully funded. The new capital programme again remains fully funded over the five-year period.

Community Services

6.2. In recent years there have been significant investments across the Community Services portfolio with investments in the new Carmarthenshire Archive, Museums in Abergwili and Parc Howard and the ongoing development at Oriel Myrddin.

6.3. The new programme includes the provision of a new leisure centre in Llanelli, which will be delivered in conjunction with the Pentre Awel development under the umbrella of the Swansea Bay City Region.

6.4. In 2026/27 within Private Sector Housing, further funding is provided for Disabled Facility Grants of £2.5m. In recent years £2m has been awarded annually in this area so the additional £500k accounts for inflationary pressures.

Environment

6.5. For 2026/27 further allocations to existing rolling programmes of work are included, namely Highway Improvements £600k, Bridge Maintenance £400k, Road Safety Improvement £250k, public lighting, £400k.

Given the disappointing omission of specific highways Improvement grant funding in the WG settlement, in order to mitigate the effects of the removal

of this funding we propose to make available from the council's own reserves, and unsupported/prudential borrowing £1m and £1.4m respectively, to fund highways in 2022/23. This is in addition to our annual commitment of £600k already mentioned. A total package of £3m for 2022/23. We will work with the WG in the hope that grant funding towards this important strategic county asset of highways can be restore in future years.

- 6.6. 2026/27 also sees the continuation of the £66k annual allocation to Rights of Ways and Byways, in recognition of our obligations in this area and the wider community health and environmental benefits provided by these valuable resources.
- 6.7. Last year, as part of the reprioritisation of capital resources, funding for the Tywi Valley Path project was repurposed towards measures to stimulate the economy following the Covid-19 pandemic because of the project's lack of external grant funding. However, at the time a commitment was given that if grant funding did become available that we would seek to restore our match funding for this project. Therefore following an award of grant of £16.8m from the UK Government's Levelling Up Fund, £1.9m is awarded to deliver this project. A major investment which will bring significant benefits to the rural economy and improvement to health and wellbeing, and which delivers on our commitment to restore funding should grant funding be forthcoming. This will be funded by unsupported borrowing. In addition £366k is made available to upgrade parking provision for the Tywi Valley Path, making it more accessible to a wider number of commuters, families, visitors and walking and cycling enthusiasts of all abilities; making it a truly landmark community resource.
- 6.8. New funding for flood risk management of £75k per annum is made available to match external grants in years 1 and 2 of the programme.
- 6.9. An annual allocation of £250k is established for highways drainage, which will help to make a highway network more resilient to future weather events and reduce flood risks.
- 6.10. Significant investment continues to be made available to the upkeep and refurbishment of the County's estate.
 - Recognising the backlog of works across the council's operational estate, last year specific monies were made available for works at County Hall £2.5m, and Ty Elwyn £1.2m. These works continue, alongside £300k for county farms slurry infrastructure.
 - In addition in 2026/27 it is proposed to continue the annual allocation towards Capital Maintenance across the county estate at £3m. (£14.7m across the five years.) This maintains our investment in this area whilst recognising that the estate may be downsized in coming years as we aim to release capital receipts to fund future programmes and await the outcome and recommendations of Better Ways of Working review.
- 6.11. £4.7m for refuse and recycling vehicle replacement is included, together with an additional £1m from reserves as the Authority's match funding contribution to our Waste Strategy which will see the rollout of kerbside sorting for

recycling collections. It is hoped that this project will attract significant funding from WG which will see investment in the infrastructure at Nantycaws and the replacement of the current refuse lorries with an electric fleet in the coming years. It will make a huge contribution to our efforts to decarbonise our services to address our local, national and global commitment to Net Zero Carbon.

- 6.12. A five-year Fleet Replacement Programme for £6.5m, excluding refuse and recycling collection vehicles, is included to ensure that vehicles and plant machinery assets are replaced when they reach the end of their viable economic life. The funding for this capital spend will be provided directly from revenue budgets of the service users via prudential borrowing.
- 6.13. As part of the provisional settlement £20m per annum from 2023/24 will be made available on an all Wales basis for the decarbonisation agenda. We have assumed that this will be a proportional allocation per authority on the same basis as the General Capital Grant and that Carmarthenshire's allocation will therefore be £1.34m per year. Funding for the same is included in the programme. Given that the WG funding for decarbonisation is only available from 2023/24 we propose to supplement this programme with £500k from our own resources, set aside from the forecast underspends in 2021/22, in the coming financial year to accelerate decarbonisation measures across the authority's estate in response to the climate emergency. This is in addition to investments in recent years in retro-fitting some of our buildings through the re-fit Cymru Project and £500k awarded for grants to private business throughout the county to introduce renewable energy measures.

Education and Children

- 6.14. In the Education and Children Services capital programme, the MEP includes the continuation of the 21st Century Schools improvement programme. Schemes are funded jointly by Welsh Government grant and the Authority.
- 6.15. As referenced earlier in the report a review of the MEP programme is being undertaken and this will influence the programme and priorities for delivery in future years. Amendments to the capital programme will be reported and incorporated upon completion of the review.
- 6.16. The MEP programme continues to include schemes to a total value of £25m which will be supported through the MIM funding approach.
- 6.17. It is proposed to setup a general education fund of £500k per annum to fund ongoing pressures on the education budget including: Equalities Works, Health and Safety measures, mobile classroom provision. It is proposed to fund this budget from within the already approved MEP funding.
- 6.18. £580k is awarded in 2022/23 to complete the new Bus Bays at Ysgol Dyffryn Taf, reflecting the urgency of the health and safety concerns of the current bus bay provision.

Chief Executive

6.19. ICT services are crucial to our future ways of working, therefore, the £2.7m allocated across the programme is maintained. This includes annual funding of £200k to support digital transformational projects across council services. The County Council will also see the benefit of the Swansea Bay City Region Digital Project across the County.

Regeneration

6.20. £3.75m is made available to match fund a Levelling Up grant of £15.86m the new Carmarthen Town Centre hub. A new community resource, in partnership with healthcare and education providers. It will also see a new home of the county's art collections currently unseen by the public, and a new fitness suite – for the final fitout of which a further £402k is made available. This development will bring footfall back to the town centre and be a catalyst for the regeneration and revitalisation of West Wales' premier town centre shopping destination.

6.21. Included within the City Deal budget is the Pentre Awel project (Zone 1) which will 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 budgeted costs of Zone 1 is £87m with the funding provided via City Deal (£40m), County Council finances, Llanelli Waterfront JV, and external market funding.

The project will also include 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. This project, when costs are finalised, will be subject to a separate County Council report. With reference to the City Deal funding, the expenditure - whilst being incurred by the Authority, will be repaid to the Authority over a period of up to 15 years by both Welsh and UK governments. The structure of the City Deal projects means that WG expects the Authority to deliver the projects and raise the funding through borrowing which will then be repaid over a 15 year period. The projects or the Authority will need to accommodate the interest payments on this borrowing. An element of external funding in the form of borrowing from the private finance markets will also be needed as set out in the business case for the project.

6.22. The Pentre Awel development also provides for an assisted housing development programme, in Zone 3, which is part of the HRA capital programme.

6.23. It should be noted that within the City Deal is the budget for the new Llanelli Leisure Centre at £27m, £1.7m of which is new funding from reserves and £7m previously reported as the Llanelli Area Review.

6.24. The County Council will also have an input into some of the regional projects delivered by the Swansea Bay City Region given its role as lead body.

7. WELLBEING OF FUTURE GENERATIONS (WALES) ACT 2015

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

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

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

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

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

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

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

7.5. 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.

8.

SUMMARY

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

CAPITAL PROGRAMME SUMMARY						
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
<u>Expenditure</u>						
Community Services	2,970	3,042	2,300	2,000	2,500	12,812
Environment	22,563	22,782	7,610	7,481	6,364	66,800
Education & Children	50,361	17,435	3,366	1,476	500	73,138
Chief Executive	1,755	465	1,657	200	200	4,277
Regeneration	68,595	38,533	4,500	6,294	201	118,123
Total Expenditure	146,244	82,257	19,433	17,451	9,765	275,150
<u>Grants and Contributions</u>						
External Funding	88,508	36,557	5,035	4,000	0	134,100
Net Expenditure Funded by CCC	57,736	45,700	14,398	13,451	9,765	141,050
<u>CCC Funding</u>						
Non-hypothecated Supported Borrowing	5,942	5,942	5,942	5,942	5,942	29,710
Unsupported Borrowing	11,135	15,920	-500	-1,947	-4,607	20,000
Prudential Borrowing - Fleet	1,980	7,250	1,000	1,000	0	11,230
General Capital Grant	4,095	6,102	6,102	6,102	6,102	28,503
Decarbonisation General Capital Grant	0	1,338	1,338	1,338	1,338	5,352
Capital Reserves	32,386	3,133	0	500	500	36,519
Joint Venture Funding Llanelli Leisure Centre	0	3,500	0	0	0	3,500
Direct Revenue Funding	2,198	2,516	516	516	490	6,236
Overall Net Position: Surplus + / Deficit (-)	0	0	0	0	0	0

8.1. To summarise the overall position, the capital programme is fully funded for the five years from 2022/23 to 2026/27.

8.2. The total cost of the programme is £275m of which £134.1m is funded from external grants and contributions.

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

9. REVENUE IMPLICATIONS

9.1. The revenue budget strategy in 2022/23 allows for a £400k increase in the revenue budget implications of the capital programme.

10. RECOMMENDATIONS

That Cabinet consider and recommend to County Council:

10.1. The five-year Capital Programme and funding as detailed in Appendix A, with 2022/23 being a hard budget and 2023/24 to 2026/27 soft/indicative budgets.

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

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

and

10.4. That Cabinet delegates to the Director of Corporate Services, in consultation with the Chief Executive, Leader and Cabinet Member for Resources, authority to make any amendments necessary as a consequence of the WG final settlement due on 1st March 2022.

Capital Programme 2022/23 - 2026/27

Capital Project 2022/23-2026/27	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2022/23:2026/27		
	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2022/23			2023/24			2024/25			2025/26			2026/27			Five Year Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMUNITIES																		
Private Sector Housing																		
Disabled Facility Grants	1,700	0	1,700	2,000	0	2,000	2,300	0	2,300	2,000	0	2,000	2,500	0	2,500	10,500	0	10,500
Enable - Adaptation to assist independent living	0	270	270	0	0	0	0	0	0	0	0	0	0	0	0	0	270	270
Sports & Leisure																		
Amman Valley Leisure Centre 3G Pitch	700	300	1,000	1,042	0	1,042	0	0	0	0	0	0	0	0	0	1,742	300	2,042
Total Communities	2,400	570	2,970	3,042	0	3,042	2,300	0	2,300	2,000	0	2,000	2,500	0	2,500	12,242	570	12,812

Capital Programme 2022/23 - 2026/27

Capital Project 2022/23-2026/27	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2022/23:2026/27		
COUNCIL FUND	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2022/23			2023/24			2024/25			2025/26			2026/27			Five Year Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ENVIRONMENT																		
Countryside																		
Byways	16	0	16	16	0	16	16	0	16	16	0	16	16	0	16	80	0	80
Rights of Way Improvement Programme	50	0	50	50	0	50	50	0	50	50	0	50	50	0	50	250	0	250
Coastal and Flood Defence																		
Trebeddrod Reservoir	300	0	300	0	0	0	0	0	0	0	0	0	0	0	0	300	0	300
Flood Management	75	425	500	75	425	500	0	0	0	0	0	0	0	0	0	150	850	1,000
Fleet Management																		
Fleet Replacement - Prudential Borrowing	1,980	0	1,980	2,520	0	2,520	1,000	0	1,000	1,000	0	1,000	0	0	0	6,500	0	6,500
Infrastructure																		
Multi Storey Car Park, Llaneli	60	0	60	60	0	60	60	0	60	60	0	60	60	0	60	300	0	300
Highways	3,000	0	3,000	600	0	600	600	0	600	600	0	600	600	0	600	5,400	0	5,400
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	0	0	0	0	0	0	400	0	400	400	0	400	400	0	400	1,200	0	1,200
Waste Management																		
Refuse and Recycling Strategic Infrastructure Transformation	1,000	0	1,000	0	0	0	0	0	0	0	0	0	0	0	0	1,000	0	1,000
Refuse Vehicles replacement	0	0	0	2,125	0	2,125	0	0	0	0	0	0	0	0	0	2,125	0	2,125
Decarbonisation of Refuse and Recycling Collection Vehicles	0	0	0	2,605	0	2,605	0	0	0	0	0	0	0	0	0	2,605	0	2,605
Transportation																		
Road Safety Improvement Schemes	250	0	250	250	0	250	250	0	250	250	0	250	250	0	250	1,250	0	1,250
A4138 Hendy Link Road	50	0	50	0	0	0	0	0	0	0	0	0	0	0	0	50	0	50
Highway Junction Improvements/Signals Upgrade	25	0	25	0	0	0	0	0	0	0	0	0	0	0	0	25	0	25
Active Travel - Walking & Cycling Linkages	100	0	100	0	0	0	0	0	0	0	0	0	0	0	0	100	0	100
Cross Hands Economic Link Road Phase 2	750	0	750	0	0	0	0	0	0	0	0	0	0	0	0	750	0	750
Public Transport Infrastructure																		
Tywi Valley Path - Levelling Up Fund	956	8,601	9,556	863	8,174	9,037	0	0	0	45	0	45	0	0	0	1,864	16,775	18,639
Tywi Valley Path - Carparking provision	193	0	193	193	0	193	0	0	0	0	0	0	0	0	0	386	0	386
Property																		
Capital Maintenance	2,582	0	2,582	2,838	0	2,838	3,246	0	3,246	3,072	0	3,072	3,000	0	3,000	14,738	0	14,738
Decarbonisation of Estate Programme	500	0	500	1,338	0	1,338	1,338	0	1,338	1,338	0	1,338	1,338	0	1,338	5,852	0	5,852
County Hall	1,000	0	1,000	0	0	0	0	0	0	0	0	0	0	0	0	1,000	0	1,000
Total Environment	13,537	9,026	22,562	14,183	8,599	22,782	7,610	0	7,610	7,481	0	7,481	6,364	0	6,364	49,175	17,625	66,800

Capital Programme 2022/23 - 2026/27

Capital Project 2022/23-2026/27	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2022/23:2026/27		
	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2022/23			2023/24			2024/25			2025/26			2026/27			Five Year Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EDUCATION & CHILDREN																		
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
Dyffryn Taf Bus Bays	580	0	580	0	0	0	0	0	0	0	0	0	0	0	0	580	0	580
School Capital Maintenance	3,141	0	3,141	0	0	0	0	0	0	0	0	0	0	0	0	3,141	0	3,141
Improving Ventilation in Schools	134	0	134	0	0	0	0	0	0	0	0	0	0	0	0	134	0	134
Sustainable Communities for Learning BandA - Design stage Projects																		
Rhydygors	20	0	20	20	0	20	0	0	0	0	0	0	0	0	0	40	0	40
Laugharne	100	0	100	100	0	100	0	0	0	0	0	0	0	0	0	200	0	200
Dewi Sant	100	0	100	100	0	100	0	0	0	0	0	0	0	0	0	200	0	200
Sustainable Communities for Learning BandA - Approved Schemes																		
Llangadog	0	492	492	0	0	0	0	0	0	0	0	0	0	0	0	0	492	492
Rhys Prichard	23	0	23	0	0	0	0	0	0	0	0	0	0	0	0	23	0	23
Sustainable Communities for Learning BandB - Design stage Projects																		
Ammanford Primary Welsh Medium	100	0	100	100	0	100	0	235	235	0	0	0	0	0	0	200	235	435
Ammanford Primary Dual Stream	100	0	100	100	0	100	0	1,800	1,800	0	0	0	0	0	0	200	1,800	2,000
Llandeilo	50	0	50	50	0	50	0	0	0	0	0	0	0	0	0	100	0	100
Ysgol Gymraeg Gwenllian	20	0	20	20	0	20	0	0	0	0	0	0	0	0	0	40	0	40
Cross Hands Area	20	0	20	20	0	20	0	0	0	0	0	0	0	0	0	40	0	40
Penygaer	20	0	20	20	0	20	0	0	0	0	0	0	0	0	0	40	0	40
Carmarthen West	50	0	50	50	0	50	0	0	0	0	0	0	0	0	0	100	0	100
Hendy	100	0	100	100	0	100	0	0	0	0	0	0	0	0	0	200	0	200
Llanybydder/Llanllwni	20	0	20	20	0	20	0	0	0	0	0	0	0	0	0	40	0	40
Gwendraeth Valley North	20	0	20	20	0	20	0	0	0	0	0	0	0	0	0	40	0	40
Gwendraeth Valley Central	20	0	20	20	0	20	0	0	0	0	0	0	0	0	0	40	0	40
Llanybydder	50	0	50	50	0	50	0	0	0	0	0	0	0	0	0	100	0	100
Heol Goffa New School	100	0	100	100	0	100	0	0	0	0	0	0	0	0	0	200	0	200
Bryngwyn	100	0	100	100	0	100	0	0	0	0	0	0	0	0	0	200	0	200
Bro Myrddin	100	0	100	100	0	100	0	0	0	0	0	0	0	0	0	200	0	200
Sustainable Communities for Learning BandB - Approved Schemes																		
Y Castell	0	1,155	1,155	0	60	60	0	0	0	0	0	0	0	0	0	0	1,215	1,215
Pum Heol	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pembrey	2,771	3,310	6,081	110	0	110	0	0	0	0	0	0	0	0	0	2,881	3,310	6,191
Sustainable Communities for Learning Match Funding																		
Band A Funding	1,536	3,012	4,548	872	3,570	4,442	0	0	0	0	0	0	0	0	0	2,408	6,582	8,990
Band B Funding	4,130	27,830	31,960	823	10,410	11,233	831	0	831	976	0	976	0	0	0	6,760	38,240	45,000
Childcare Places Offer Grant	0	658	658	0	0	0	0	0	0	0	0	0	0	0	0	0	658	658
Total Education & Children	13,905	36,457	50,362	3,395	14,040	17,435	1,331	2,035	3,366	1,476	0	1,476	500	0	500	20,607	52,532	73,139

Capital Programme 2022/23 - 2026/27

Capital Project 2022/23-2026/27	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2022/23:2026/27		
	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
COUNCIL FUND	2022/23			2023/24			2024/25			2025/26			2026/27			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	0	0	0	0	0	0	300	0	300	0	0	0	0	0	0	300	0	300
St David's Park - Block 3	1,290	0	1,290	0	0	0	0	0	0	0	0	0	0	0	0	1,290	0	1,290
Digital Transformation	200	0	200	200	0	200	200	0	200	200	0	200	200	0	200	1,000	0	1,000
PSBA Network	75	0	75	75	0	75	75	0	75	0	0	0	0	0	0	225	0	225
Strategic Digital Initiatives	100	0	100	100	0	100	100	0	100	0	0	0	0	0	0	300	0	300
Information Security and Governance	50	0	50	50	0	50	50	0	50	0	0	0	0	0	0	150	0	150
Virtualised Server & Storage Environment Replacement	0	0	0	0	0	0	400	0	400	0	0	0	0	0	0	400	0	400
UPS 15KVA	15	0	15	15	0	15	0	0	0	0	0	0	0	0	0	30	0	30
Voice Infrastructure	25	0	25	25	0	25	20	0	20	0	0	0	0	0	0	70	0	70
Business Critical Infrastructure & Strategic ICT Development	0	0	0	0	0	0	512	0	512	0	0	0	0	0	0	512	0	512
Total Chief Executive	1,755	0	1,755	465	0	465	1,657	0	1,657	200	0	200	200	0	200	4,277	0	4,277

Capital Programme 2022/23 - 2026/27

Capital Project 2022/23-2026/27	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2022/23:2026/27		
COUNCIL FUND	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2022/23			2023/24			2024/25			2025/26			2026/27			Five Year Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
REGENERATION																		
Transformational Strategy Project Fund	1,500	3,000	4,500	0	0	0	1,500	3,000	4,500	2,000	4,000	6,000	0	0	0	5,000	10,000	15,000
Rural Employment Spaces JV	0	0	0	1,000	1,000	2,000	0	0	0	0	0	0	0	0	0	1,000	1,000	2,000
Ammanford, Carmarthen & Rural Area																		
Carmarthen Hub - Levelling Up Fund	1,759	7,443	9,202	1,896	8,417	10,313	0	0	0	93	0	93	0	0	0	3,748	15,860	19,608
Carmarthen Hub - Fit-out	0	0	0	0	0	0	0	0	0	201	0	201	201	0	201	402	0	402
Pendine Iconic International Visitors Destination	1,700	0	1,700	0	0	0	0	0	0	0	0	0	0	0	0	1,700	0	1,700
Swansea Bay City Region Projects																		
City Deal - Pentre Awel Wellness Project	4,087	32,013	36,100	16,513	0	16,513	0	0	0	0	0	0	0	0	0	20,600	32,013	52,613
City Deal - Llanelli Leisure Centre	17,094	0	17,094	5,206	4,500	9,706	0	0	0	0	0	0	0	0	0	22,300	4,500	26,800
Total Regeneration	26,140	42,456	68,596	24,615	13,917	38,532	1,500	3,000	4,500	2,294	4,000	6,294	201	0	201	54,750	63,373	118,123
Total Council Fund	57,736	88,508	146,244	45,700	36,556	82,257	14,398	5,035	19,433	13,451	4,000	17,451	9,765	0	9,765	141,050	134,100	275,150

Capital Programme 2022/23 - 2026/27

Capital Project 2022/23-2026/27	Year 1			Year 2			Year 3			Year 4			Year 5			Five Year Total 2022/23:2026/27		
COUNCIL FUND	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total Scheme	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total	County Council Funding	External Funding	Total
	2022/23			2023/24			2024/25			2025/26			2026/27			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	14,970	0	14,970	14,598	0	14,598	6,442	0	6,442	4,995	0	4,995	1,335	0	1,335	42,340	0	42,340
Borrowing: Non PWLB	4,087	0	4,087	14,513	0	14,513	0	0	0	0	0	0	0	0	0	18,600	0	18,600
Capital Receipts	0	0	0	3,500	0	3,500	0	0	0	0	0	0	0	0	0	3,500	0	3,500
Reserves / Revenue	34,584	0	34,584	5,649	0	5,649	516	0	516	1,016	0	1,016	990	0	990	42,755	0	42,755
Highways & Transport Grants		9,026	9,026		8,599	8,599		0	0		0	0		0	0	0	17,625	17,625
Economic Development Grants		42,456	42,456		13,917	13,917		3,000	3,000		4,000	4,000		0	0	0	63,373	63,373
Education Grants		36,457	36,457		14,040	14,040		2,035	2,035		0	0		0	0	0	52,532	52,532
Other Grants & Funding	4,095	570	4,665	7,440	0	7,440	7,440	0	7,440	7,440	0	7,440	7,440	0	7,440	33,855	570	34,425
Total Capital Programme Funding	57,736	88,508	146,244	45,700	36,556	82,257	14,398	5,035	19,433	13,451	4,000	17,451	9,765	0	9,765	141,050	134,100	275,150
Summary of Expenditure by Services																		
Public Housing																		
Private Housing	1,700	270	1,970	2,000	0	2,000	2,300	0	2,300	2,000	0	2,000	2,500	0	2,500	10,500	270	10,770
Social Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Culture & Leisure	700	300	1,000	1,042	0	1,042	0	0	0	0	0	0	0	0	0	1,742	300	2,042
Transportation, Infrastructure & Municipal	9,455	9,026	18,480	10,007	8,599	18,606	3,026	0	3,026	3,071	0	3,071	2,026	0	2,026	27,585	17,625	45,210
Economic Development	26,140	42,456	68,596	24,615	13,917	38,532	1,500	3,000	4,500	2,294	4,000	6,294	201	0	201	54,750	63,373	118,123
Education & Children	13,905	36,457	50,362	3,395	14,040	17,435	1,331	2,035	3,366	1,476	0	1,476	500	0	500	20,607	52,532	73,139
Property	5,372	0	5,372	4,176	0	4,176	4,884	0	4,884	4,410	0	4,410	4,338	0	4,338	23,180	0	23,180
ICT	465	0	465	465	0	465	1,357	0	1,357	200	0	200	200	0	200	2,687	0	2,687
Total Capital Expenditure by Service	57,736	88,508	146,244	45,700	36,556	82,257	14,398	5,035	19,433	13,451	4,000	17,451	9,765	0	9,765	141,050	134,100	275,150
Summary of Expenditure by Department																		
Community Services	2,400	570	2,970	3,042	0	3,042	2,300	0	2,300	2,000	0	2,000	2,500	0	2,500	12,242	570	12,812
Environment	13,537	9,026	22,562	14,183	8,599	22,782	7,610	0	7,610	7,481	0	7,481	6,364	0	6,364	49,175	17,625	66,800
Education & Children	13,905	36,457	50,362	3,395	14,040	17,435	1,331	2,035	3,366	1,476	0	1,476	500	0	500	20,607	52,532	73,139
Chief Executive	1,755	0	1,755	465	0	465	1,657	0	1,657	200	0	200	200	0	200	4,277	0	4,277
Regeneration including City Deal	26,140	42,456	68,596	24,615	13,917	38,532	1,500	3,000	4,500	2,294	4,000	6,294	201	0	201	54,750	63,373	118,123
Total Capital Expenditure By Department	57,736	88,508	146,244	45,700	36,556	82,257	14,398	5,035	19,433	13,451	4,000	17,451	9,765	0	9,765	141,050	134,100	275,150
External Grants	0	88,508	88,508	0	36,556	36,556	0	5,035	5,035	0	4,000	4,000	0	0	0	0	134,100	134,100
Net CCC Funding	57,736	0	57,736	45,700	0	45,700	14,398	0	14,398	13,451	0	13,451	9,765	0	9,765	141,050	0	141,050

EXTRACT

POLICY & RESOURCES SCRUTINY COMMITTEE

Wednesday, 2 February 2022

5. FIVE YEAR CAPITAL PROGRAMME (COUNCIL FUND) - 2022/23 TO 2026/27

The Cabinet Member for Resources presented the 5-year capital programme which provided an initial view of the 5-year Capital Programme from 2022/23 to 2026/27. The report formed the basis of the budget consultation process with Scrutiny Committees and other relevant parties and any feedback, along with the final settlement, would inform the final budget report which would be presented to members in March 2022. The proposed capital programme was a capital spend of some £269m over the next 5 years and current funding proposals included external funding of £150m. The report highlighted the provisional settlement received from the Welsh Government which indicated capital funding of £10.037m for the Authority in 2022-23. The funding was made up of Unhypothecated Supported Borrowing of £5.942m and General Capital Grant of £4.095m. The new capital programme remained fully funded over the five-year period.

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

- In response to the questioning of the £73m allocation to schools whilst the 21st Century Band 'B' proposals were being reviewed the Head of Financial Services advised that it was important to maintain that allocation to schools overall pending the outcome of the review;
- In response to a concern that no award had been made by Welsh Government for Highways Refurbishment funding the Head of Financial Services commented that the Authority's own Capital programme included an annual allocation of £600k and Cabinet was proposing to add £1m for 2022/3 which would help in some way but still result in a shortfall. The Leader stated that the Welsh Government was being lobbied on the matter by local authorities and the WLGA and he also recognised concerns regarding the lack of pavements in some areas and the need to highlight the issue particularly within the concept of active travel;
- the Cabinet Member for Education and Children, in response to a question, gave an assurance that the 21st Century Band 'B' schools project at Ammanford remained a priority.

RESOLVED that the Five-Year Capital Programme 2022/23 – 2026/27 be endorsed.

Mae'r dudalen hon yn wag yn fwriadol

CAPITAL STRATEGY

2022 - 2023

carmarthenshire.gov.wales

Cyngor **Sir Gâr**
Carmarthenshire
County Council



Tudalen 101

CAPITAL STRATEGY 2022-23

PURPOSE AND AIMS

The Prudential Code for Capital Finance in Local Authorities was updated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2017.

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

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

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

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

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

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

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

and the implications for future financial sustainability. It also highlights the governance framework required to ensure the Strategy is delivered.

ECONOMIC BACKGROUND

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

CARMARTHENSHIRE'S STRATEGIC RESPONSE

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

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

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

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

WHAT IS CAPITAL EXPENDITURE?

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

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

Capital expenditure is defined by legislation as:

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

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

school site) or by spreading the cost over future years' revenues (i.e. through Minimum Revenue Provision).

CARMARTHENSHIRE'S APPROACH TO CAPITAL INVESTMENT

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

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

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

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

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

GOVERNANCE FRAMEWORK

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

Capital Programme Approvals

All capital expenditure must be carried out in accordance with the financial regulations. The

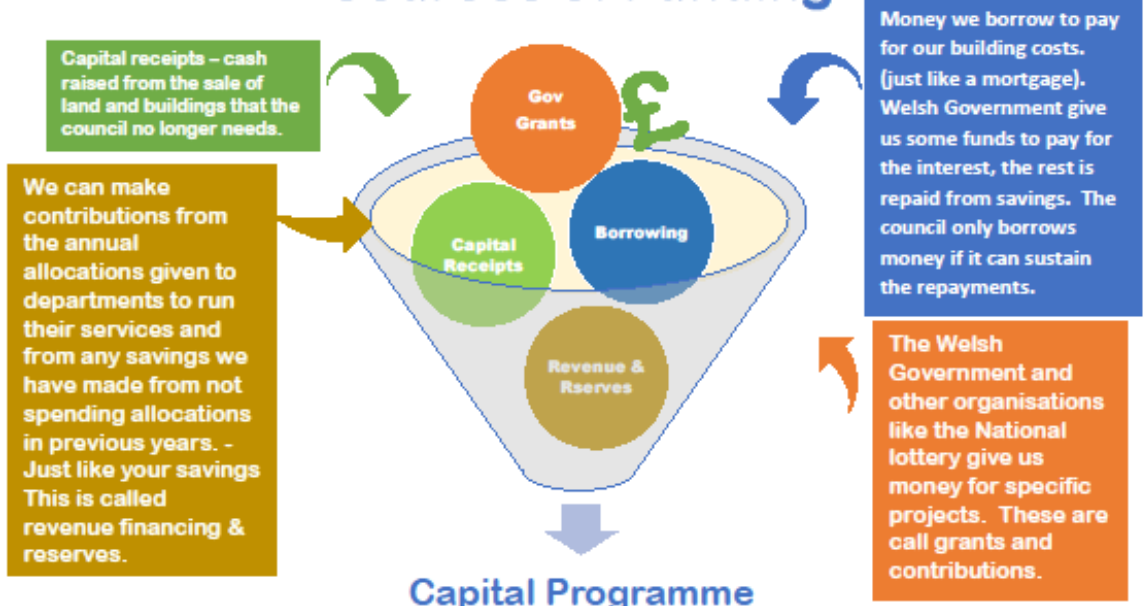
expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards. The Capital Programme approved by Full Council as part of the Council's annual budget report sets the capital funding availability for the Council, the prioritisation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





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

Sources of Funding



Capital Programme



Overview of General Fund Capital Programme

Capital Budgets by Department:	2022/23 £'000	2023/24 £'000	2024/25 £'000
Communities	2,970	3,042	2,300
Environment	22,563	22,782	7,610
Education & Children	50,361	17,435	3,366
Chief Executive	1,755	465	1,657
Regeneration	15,402	12,314	4,500
City Deal Projects	53,194	26,219	0
Total Budget	146,244	82,257	19,433

Financed by:	2022/23 £'000	2023/24 £'000	2024/25 £'000
Borrowing	19,057	29,111	6,442
Unhypothecated General Capital Grants	4,095	7,440	7,440
External Grants & Contributions	88,508	36,557	5,035
Reserves	32,386	3,133	0
Direct Revenue Financing	2,198	2,516	516
Capital Receipts	0	3,500	0
Total Funding	146,244	82,257	19,433

OUR

Cabinet have

aspirations for Carmarthenshire in the document “Moving forward in Carmarthenshire: the next five years”. The capital programme has been developed and approved to support this vision for the future to become a reality. In addition, we have revised our priorities to include an economic stimulus package for local businesses as a direct response to the Covid-19 pandemic.

PRIORITIES

set out their

Modernising Education

A modernising education programme is the flagship policy which has seen over £200million invested to date, in the building of new schools and upgrading others, with a further commitment to fund future investments of £129million.

Health & Wellbeing

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

- A new leisure centre for Llanelli as part of the Swansea Bay City Deal Pentre Awel Wellness Project,
- Developing Carmarthenshire as a national hub for cycling. To this end we have already seen investments in a new BMX track and a closed road circuit in Pembrey, which have

complemented the existing facilities at the Brechfa Forest and the velodrome in Carmarthen.

Agile Working / New ways of Working

An agile working approach across the authority coupled with a desire to embrace and compound new ways of working, fast-tracked because of the pandemic, will enable us to make the best use of resources and identify any redundant assets that could be sold; raising income from capital receipts to fund strategic capital projects.

Helping Local Businesses

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

Cultural Heritage

Building on our transformation plan for the museum provision. Major refurbishments at the county museum at Abergwili, Parc Howard, and a new Museum of Speed at Pendine, together with a new county archive and storage facility at “Y Stordy” will ensure that our valuable cultural learning and tourism resource is improved for residents and visitors and maintained for future generations. Further investment in culture will see the redevelopment of the Oriel Myrddin Gallery in Carmarthen. This will also build on our commitment to see the wider regeneration of the “Old Town Quarter” within the County Town.

Decarbonisation

In a commitment to future generations, we have put in place a package funding that will see decarbonisation measures rolled out across our built estate and our Fleet. Grant funding is also made available for local business to embrace renewable energy. We will also see

growing investments in electric car charging infrastructure across the county.

Highways

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

The new Carmarthen western link road has provided much needed improvements to traffic flows, access to the new S4C headquarters at “Yr Egin” and the planned Phase 2 of that development and created development opportunities for new housing and retail.

The Cross Hands economic distributor road coupled with associated developments at the Cross Hands strategic employment site will boost the economy in the Gwendraeth Valley. The longer-term plans for the development of the Ammanford distributor road will improve traffic flows and enhance retail investment opportunities.

Digital Transformation

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

Housing

Carmarthenshire’s Housing Revenue Account Business Plan 2021-2024 details the Council’s priorities, plans and actions for council housing in Carmarthenshire for the future years. The plan covers all housing services and assets in the Housing Revenue Account (HRA). The purpose of this Plan is to explain the vision and detail of our Housing Investment Programme, and what it means for tenants. Maintaining the ‘Welsh Housing Quality Standard’ (WHQS) is a statutory duty which Carmarthenshire exceeds by maintaining our Carmarthenshire Homes

Standard. Against a background of the borrowing cap being lifted by central government for local authority HRA borrowing, Carmarthenshire has delivered 1000 Affordable Homes by March 2020, a year ahead of the scheduled target of 1000 by 2021. In 2021 we published the new Housing Regeneration and Development Delivery Plan which outlines our plans to support the delivery of over 2000 new homes over the next 5 years. We also completed a research programme with Cardiff University to model and develop our Decarbonisation Strategy and implement a new Asset Management System, which will be embedded in future investment programmes. In addition, the Council plans to continue to invest over £64m in maintaining tenants' homes over the next three years.

- The Council recognises the importance of strategic asset management in providing the foundation for its investment plans so within the HRA Business Plan has highlighted five key themes for future investment:
- Supporting tenants & residents
- Investing in our homes & the environment.
- Providing more homes.
- Decarbonising our stock and services
- Local economy, Community Benefits & procurement.

HRA CAPITAL SPENDING AND FUNDING

HRA Capital Budgets:	2022/23 £'000	2023/24 £'000	2024/25 £'000
Maintain the standard	14,957	13,177	11,267
Support Tenant and Residents	4,054	3,250	3,250
Provide more affordable homes	17,323	20,977	18,150
Decarbonisation	2,931	2,515	1,973
Support the delivery of CHS+	3,446	1,953	1,388
TOTAL	42,711	41,872	36,028

Financed by:	2022/23 £'000	2023/24 £'000	2024/25 £'000
Welsh Government Grant-MRA	6,225	6,225	6,225
Welsh Government Grant - Other	9,134	7,608	6,500
Direct Revenue Financing	10,000	10,000	10,000
Borrowing	17,352	18,039	13,303
TOTAL	42,711	37,425	36,028

TREASURY MANAGEMENT

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

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

PRUDENTIAL INDICATORS

Under the Local Government Act 2003 and the Prudential Code for Capital Finance in Local Authorities (revised in 2017), local authority capital spending and its borrowing to fund that spending is limited by what is affordable, prudent and sustainable. The Prudential Code sets out several indicators that enables the authority to assess affordability and prudence.

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

COMMERCIAL ACTIVITY

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

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

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

RISK APPETITE

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

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

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

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

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

addition to service reductions and efficiencies to secure financial stability.

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

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

REVENUE IMPLICATIONS

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

KNOWLEDGE AND SKILLS

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

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

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

CYFARFOD Y CABINET

21-02-2022

CYLLIDEB Y CYFRIF REFENIW TAI (REFENIW A CYFALAF) A PHENNU RHENTI TAI AR GYFER 2022/23

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Bod y Cabinet yn ystyried yr argymhellion canlynol gan Tîm Strategol Tai a Adenedigaeth ac yn eu hargymell i Cyngor y Sir :-

1. Cynyddu'r rhent yn unol â chanllawiau Polisi Rhenti Tai Cymdeithasol Llywodraeth Cymru :-

- Bydd eiddo ar rhenti targed yn cynyddu 2.74% (Mynegai Prisiau Defnyddwyr) a
- Eiddo lle mae rhent yn is na'r rhent targed, bydd y rhent yn cynyddu 2.74% yn ogystal a dilyniant uchafswm o £1.00
- Y rhenti sydd yn uwch na'r targed yn cael eu rhewi nes eu bod yn cyrraedd y targed
- Bydd hyn yn cynhyrchu cynydd ar y rhent tai cyfartalog o 2.9% neu £2.66

Mae hyn yn creu Cynllun Busnes cynaliadwy, yn cynnal Safon Tai Sir Gaerfyrddin a Mwy (STSG+) ac yn cyflawni ein Cynllun am Tai Adenedigaeth a Datblygu.

2.Parhau â'r camau cynnydd mwyaf posibl o £1 a ganiateir ar gyfer rhenti sy'n is na'r rhent am y math o stoc.

3.Parhau a rhent garejis o £9.00 yr wythnos a sylfeini garejis o £2.25 yr wythnos.

4.Gweithredu'r Polisi ynghylch Taliadau am Wasanaethau i sicrhau bod y tenantiaid sy'n elwa ar wasanaethau penodol yn talu am y gwasanaethau hynny.

5.Cynyddu'r taliadau am ddefnyddio ein gwaith trin carthffosiaeth yn unol â'r cynnydd mewn rhenti.

6.Cymeradwyo Cyllideb y Cyfrif Refeniw Tai ar gyfer 2022/25 (cyllidebau dangosol yw rhai 2023/24 a 2025/24), fel y nodwyd yn Atodiad A.

7.Cymeradwyo'r Rhaglen Gyfalaf arfaethedig a'r cyllido perthnasol ar gyfer 2022/23, a'r gwariant mynegiannol a bennwyd ar gyfer 2023/24 hyd 2024/25, fel y'u nodwyd yn Atodiad B.

Y Rhesymau:

Er mwyn galluogi'r Awdurdod bennu ei gyllideb Cyfrif Refeniw Tai a lefelau Rhenti Tai am 2022/23

Ymgynghorwyd â'r pwyllgor craffu perthnasol DO. 31-01-2022

Angen i'r Cabinet wneud penderfyniad OES

Angen i'r Cyngor wneud penderfyniad OES 02-03-2022

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

- Cynghorydd Linda Evans (Tai)
- Cynghorydd David Jenkins (Adnoddau)

Y Gyfarwyddiaeth:

Enw Pennaeth y Gwasanaeth:

Chris Moore

Awdur yr Adroddiad:

Andrea Thomas

Swyddi:

Grŵp Cyfrifydd

Rhifau ffôn:

Cyfeiriadau E-bost:

01267 224120

CMoore@carmarthenshire.gov.uk

01267 228742

AndThomas@carmarthenshire.gov.uk

EXECUTIVE SUMMARY

HOUSING REVENUE ACCOUNT BUDGET AND HOUSING RENT SETTING FOR 2022/23

This report has been prepared in conjunction with officers from the Communities Department and brings together the latest proposals for the Revenue and Capital Budgets for the Housing Revenue Account 2022/2025. The report was presented to the Community & Regeneration Scrutiny Committee on the 31st January 2022 as part of the budget consultation process.

The report has been prepared reflecting the latest proposals contained in the Housing Revenue Account (HRA) Business Plan, which is the primary financial planning tool for delivering the Carmarthenshire Homes Standard *Plus* (CHS+) for the future. The proposed investment within the current business plan delivered the CHS by 2015 (to those homes where tenants agreed to have work undertaken), provides investment to maintain CHS+ and continues investment for our Housing Regeneration and Development Delivery Plan.

The report also details how rents will increase for 2022/23.

Appendix A provides the proposed Revenue Account Budget for 2022/25.
Appendix B of this report provides the proposed Capital Programme for 2022/25.

The HRA budget for 2022/23 is being set to reflect:

- Social Housing Rent Policy (set by WG)
- Proposals contained in the Carmarthenshire Housing Revenue Account Business Plan.
- Housing Regeneration and Development Delivery Plan.

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
NONE	NONE	YES	NONE	NONE	NONE	YES

Finance

The report details the HRA proposals to be considered. If the proposals are agreed the budget for the HRA will be set for 2022/23 with an expenditure level of £50M. The average rent will increase from £91.60 to £94.26 (2.9%).

The proposed Capital Programme will be £42.7M for 2022/23, £41.9M for 2023/24 and £36M for 2024/25

Physical Resources

The capital programme continues the works to maintain the Carmarthenshire Home Standard *Plus* and deliver the Housing Regeneration and Development Delivery Plan as per the 30 year business plan.

CONSULTATIONS

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

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

1. Scrutiny Committee - Yes Community and Regeneration Scrutiny Committee was consulted on 31-01-2022 (minutes attached).

2. Local Member(s) – N/A

3. Community / Town Council – N/A

4. Relevant Partners – N/A

5. Staff Side Representatives and other Organisations – N/A

CABINET MEMBER PORTFOLIO 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
-------------------	--

Social Housing Rent Policy	Corporate Services Department, County Hall, Carmarthen
30 year housing business plan	Corporate Services Department, County Hall, Carmarthen

Mae'r dudalen hon yn wag yn fwriadol

REPORT OF THE DIRECTOR OF CORPORATE SERVICES

CABINET

21st FEBRUARY 2022

HOUSING REVENUE ACCOUNT AND HOUSING RENT SETTING 2022/23

- REVENUE AND CAPITAL

DIRECTOR & DESIGNATION.	DIRECTORATE	TELEPHONE NO.
C Moore Director of Corporate Services	Corporate Services	01267 224120
AUTHOR & DESIGNATION	DIRECTORATE	TELEPHONE NO
A Thomas Group Accountant	Corporate Services	01267 228742

1. INTRODUCTION

1.1. This report explains the proposed 2022/23 Housing Revenue Account (HRA) budget for both revenue and capital. It has been prepared in conjunction with officers from the Communities Department. The Community and Regeneration Scrutiny Committee considered the HRA budget on 31st January 2022 as part of the budget consultation process. The views expressed by that committee are attached to this report (Appendix C) for Cabinet's consideration when they set the 2022/23 HRA budget and Housing Rents.

1.2. The HRA budget for 2022/23 is being set to reflect:

- Welsh Government's Policy for Social Housing Rents (Rent Policy) issued 30/12/2021, which this year is governed by the Welsh Government's Minister for Climate Change instruction that the maximum increases in the rent envelope for any local authority does not exceed 3.1%
- Proposals contained in the Carmarthenshire Housing Revenue Account Business Plan
- Housing Regeneration and Development Delivery Plan

1.3. The HRA budget is prepared to maintain the HRA Business Plan, deliver our affordable homes aspirations and manage and maintain our homes on a daily basis. As a ring-fenced account this expenditure is balanced by income primarily generated through rents charged to tenants. Supporting the HRA Business Plan is a 30 years financial model which is submitted to and scrutinised/approved by WG annually (as part of the Major Repairs Allowance application).

Carmarthenshire County Council along with the other 10 local authorities (LAs) in Wales who retained their Housing Stock, exited the Housing Revenue Account Subsidy (HRAS) system on 1/4/15, which allows Local Authorities more flexibility in the management of their stock going forward.

Part of the agreement to exit included LAs with retained stock were required to adopt the new Social Housing Rents Policy set by the Welsh Government (WG). It aimed to develop a coherent and consistent rent policy framework that would apply to all social landlords, reflect local variations in affordability and housing market values, providing for a more equitable distribution of rents for social sector tenants across Wales, while at the same time ensuring the viability of individual social landlords. County Council approved the implementation of the policy on 24/02/15. This policy provided consistency for 4 years from 2015/16 to 2018/19. WG provided an interim policy for 2019/20 while they await the results of the Affordable Housing Supply Review. The result of this review was to retain the existing policy for a further 5 years which was implemented in 2020/21 with some additional/amended requirements. Below are the main points detailed in WG letter:-

- An annual rent uplift (total rent envelope) of up to CPI+1%, each year for 5 years from 2020-21 to 2024-25 using the level of CPI from the previous September each year. September 2021 was 3.1%.
- CPI+1% will be the maximum increase allowable in any one year but CPI+1% must not be regarded as an automatic uplift to be applied by social landlords. Landlords decisions on rent should take into account the affordability of rents for tenants as set out below.
- The level of rents for individual tenants can be reduced or frozen or can rise by up to an additional £2 over and above CPI+1%, on condition that total rental income collected by the social landlord increases by no more than CPI+1%. This provision is designed to enable social landlords to restructure rents payable where necessary.
- Should CPI fall outside the range of 0% to 3%, the Minister with responsibility for housing will determine the appropriate change to rent levels to be applied for that year only. **As CPI was 3.1% in**

September 2021 this clause was activated and the Government Minister for Climate Change has instructed that the maximum increase in the rent envelope for any local authority does not exceed 3.1% The Minister also commented that affordability remains at the heart of the rent settlement and excessive financial burdens should not be placed upon tenants in these very challenging times.

- Social landlords should advise the Welsh Government where they have concerns about the impact that rent policy has upon their business plan or financial viability, or on their ability to meet their obligations to tenants and lenders.
- As an intrinsic part of the five-year rent policy, social landlords will be expected to set a rent and service charge policy which ensures that social housing remains affordable for current and future tenants. As part of their annual decision on the level of rent uplift/reduction to be applied they should make an assessment of cost efficiencies, value for money and affordability for tenants which should be discussed at the Cabinet/Council.
- During the pandemic, governmental resources have been re-prioritised meaning this year's rent data-set collection was suspended at the start of the COVID 19 crisis, therefore there is no up to date, robust data available to generate Target Rent Bands for the year ahead. WG have therefore considered the role of the Target Rent Bands in conjunction with representative bodies and individual stakeholders. Discussions revealed that whilst Target Rent Bands played a valuable role when they were introduced, the landscape today is very different and for most landlords they do not play a significant role in local rent setting. WG have therefore taken the decision to suspend them again for this year. The impact of this decision in next year's rent setting, and if there are unexpected and unintended matters arising from this decision, will be re-considered. This results in setting the 2022/23 rents without target rent bands.

The letter also refers to shortage of social housing and the need to build homes near carbon zero and decarbonisation of existing stock. WG want LA's to consider the "whole cost of living in a property", looking at not only rent and service charges but energy costs also in order to reduce the financial burden on tenants. In recognition of the greater stability and certainty due to the rent policy WG also want to strengthen joint working with LA's in a wider rental agreement. WG also want LA's to produce annual assessments of affordability, value for money and demonstrate finding efficiencies as part of monitoring compliance.

1.4 Capital investment

A capital investment of £231m has been undertaken to deliver the CHS+ by 2015. This included £117million of unsupported borrowing. This investment was being funded by Major Repairs Allowance received from the WG, capital receipts from the sales of land and dwellings, HRA revenue funding, external grants and borrowing. This ensured the delivery of work programmes to all our tenants' homes (with the exception of where the work was declined by tenants). Since achieving the CHS, a further £83M will have been spent on maintaining the standard and £62M on providing additional affordable homes in the HRA by the end of 2021/22.

The HRA Business Plan 2022-25 highlights the approach that will be taken over the next three years and will be presented by the Head of Homes and Safer Communities in this meeting. It includes further investment over the next 3 years of £64million to maintain the CHS+ and £56million for our Affordable Homes programme. This will be supported by an on-going cost certainty exercise to ensure our investment is targeted to maintain the CHS+ and deliver our Affordable Homes targets.

The timing and method of potential sale of HRA land is being kept under review to ensure that receipts are maximised to support the Business Plan however there are no anticipated sales in current plan and current land is retained for development of housing. Land sales are scrutinised on an individual basis, decisions on sale/retention depend on housing demand within that area.

The profile of capital expenditure required to maintain the CHS+ and invest in affordable homes is detailed in appendix B. The plan is extremely sensitive to change and is currently being fully reviewed every 6 months, with ongoing monthly monitoring to identify any potential issues.

1.5 Decarbonisation

WG ministers commissioned a report "Better Homes, Better Wales, Better World". The report recommended that "Political parties in Wales should make a strategic commitment to national residential decarbonisation and stick to it."

This included "setting ambitious energy targets for homes to achieve net zero carbon by 2050"

This will have a significant impact on future investment plans.

The HRA business plan details our proposed approach to decarbonisation of our HRA stock headlines include:-

- Make Fabric Energy Efficient
- Monitoring, Evaluation, Development, Training, Skills through using research, smart technologies etc.
- Reduce Demand through working with tenants
- Off Grid Solutions – Decarbonise Supply by harnessing the natural environment.

2. BUSINESS PLAN ASSUMPTIONS

2.1. There are many assumptions within the Business Plan, including future rental levels, interest rates, inflation, pay awards etc. Business Plan guidance from the WG is due to be received shortly and will probably require a submission of a viable plan by 31/03/2022.

Underpinning the HRA Business Plan is the 30 year financial model which has many assumptions including:

- **Rents** The WG Social Housing rents policy allows local authorities to increase rent by CPI plus 1%. As September 2021 CPI fell outside the 0%-3% parameters in the policy, the Minister for Climate Change set a maximum increase of 3.1%. It is proposed in this report that the rent envelope is increased by 2.9%
- **Major Repairs Allowance (MRA)** is a grant from WG which is provided to support our works in maintaining the standard and is audited annually. This has not been increased for future years but has been varied for changing stock numbers. Our MRA is estimated to be £6.2million for 2022/23.
- **Capital Receipts** We have suspended our Right to Buy for tenants (WG has also subsequently suspended RTBs) so there are no planned receipts from sales of houses. There are no intentions for any land sales in current plan.
- **Grants** This is an increasingly important element of our financing. Social Housing Grant can now be utilised by local authorities as well as RSL's.
- **Void Loss** incurred on dwellings currently set on long term basis at 2%. Current performance, partly due to covid is higher at 3.78% due to restricted activity in 2021/22 but is reducing steadily. We have allowed for voids at 3.78% for 22/23.
- **Central Support Costs** are based on services received by departments, these have been validated accordingly.
- **Stock Numbers** have been updated based on affordable homes delivery plan.
- **Interest on Balances** is estimated to be £6k based on an interest rate of 0.05% (average interest earned).

2.2.

Members will be aware that as part of the HRAS exit agreement in 2015 Local Authorities were required to agree a Borrowing Cap, which was a requirement put in place by the UK Government. This restricted what a Local Authority could borrow in respect of the HRA, for this Authority the limit was set at £228M. The minister for Housing and Regeneration wrote to LA's 29/10/2018 detailing that the Chancellor of the Exchequer had confirmed that the removal of HRA borrowing caps applied to Wales as well as England. This was a significant change in policy designed to encourage LA's to build at pace and scale and to deliver their affordable homes ambitions. This places a responsibility on LA's to develop Business Plans which are financially sustainable as well as ambitious. This has led to a review of how we fund our capital investment programme to release additional resources in a prudent manner. We are therefore now developing the New Build programme with a greater number of schemes being commissioned and developed by the Council internally.

However, although the borrowing cap has been released, it should be noted that there is a significant responsibility on the County Council to ensure any borrowing for the HRA is sustainable, prudent and affordable within the HRA financial business plan. An officer working group has been developed with WG to establish some key ratios to help manage these plans. Work is currently ongoing.

As most of the schemes delivering Housing projects have a significant lead in time, there will be an ongoing review of what is needed to maintain CHS+ and deliver our affordable housing ambitions, which will utilise the borrowing available as we develop our plans.

3. EXPENDITURE

The expenditure levels in the Business Plan have been set in line with the anticipated Business Planning guidance.

Maintenance and Stock Improvement

Revenue repairs and maintenance expenditure is forecast to be £12.3million in 2022/23. This is an increase on the 2021/22 budget (£11.8million) which reflects local building costs, forecast outturn for 2021/22 changes in stock numbers and additional revenue costs relating to void properties.

The capital programme provides resources to: -

- maintain our stock to the CHS+ (including carrying out improvements to previously declined properties)
- deliver our Housing Regeneration and Development Delivery Plan commitments

Maintain our Stock

For 2022/23 the capital programme to maintain the CHS (+) is £17.3million. This gives an overall spend of £29.6million on stock improvement and maintenance (the total for 2021/22 was £31.6million). This will be further informed by stock condition data which will be gathered in 2022/23.

Affordable Housing Commitment

Housing Finance Grant (HFG2) funding for new affordable housing ended in 2019/20. This funding was provided as a revenue source, requiring the authority to borrow the money and WG repaying the capital charges. It effectively supported £7million of capital expenditure, the revenue consequence of this is generating £296k annually.

We will be bidding for any other additional resources available to support our Affordable Homes delivery. WG are yet to confirm the details of additional/alternative funding for delivering more Affordable homes. Current year grants include ICF and Land & Development Grant, due to support £2.4M & £8M respectively of capital expenditure.

We have set aside £56million over the next three years as part of the capital programme to increase the supply of affordable homes. Within 2022/23 £17.3million has been identified for the housing development programme (including development costs).

The capital programme and funding sources for this programme up to 2024/25 are detailed in Appendix B.

Validation

The proposed Business Plan includes the following validations for 2022/23, which is in line with the proposed budget strategy:

- general payroll costs are +4% (average). It is recognised that the Chancellor of Exchequer has expressed a view regarding a pay freeze but currently impact of this is unclear and therefore not to allow for pay-award would be imprudent.
- general inflation has been accommodated at +4%
- revenue R&M at 4.8%

Capital Financing and Subsidy

The capital financing costs reflect the borrowing requirement inclusive of the exit from HRAS.

Details of the budget for Housing Revenue Account for the period up to 2024/25 is shown in Appendix A.

4. INCOME

4.1. As outlined in Paragraph 1.3 above, WG have now re-confirmed the original policy that was in place up to 18/19 with increases in rent being CPI plus 1% for the next 5 years (subject to certain parameters).

Carmarthenshire’s current average rent for 2021/22 is £91.60. In the private sector median rents for 2 bedrooms are £126, 3 bedrooms are £150 and 4 bedrooms are £196 in 2021.

4.2. Target Rents

Target rents bands have been removed for 2022/23 (as detailed in 1.3), actual rents including a 2.9% increase are detailed below: -

	Houses and Bungalows (£)					Flats (£)				Bedsits (£)
	1Bed	2Bed	3Bed	4Bed	5+Bed	1Bed	2Bed	3Bed	4+Bed	
Actual Rent 2022/23 with 2.9% increase	84.73	94.13	103.54	112.95	122.37	76.63	85.18	93.68	102.22	68.13

This produces average rent of £94.26 for 2022/23

Carmarthenshire’s 2021/22 actual rent is the 2nd lowest of eleven stock retaining authorities at £91.60 (Welsh LA’s average £96.53)

WG have advised LA’s that a 3.1% increase should be the maximum applied in 2022/23.

4.3.

Implementing the 2.9% overall increase for Carmarthenshire and implementing rental progression of £1, has the following impact:

For those properties at target rent the increase will be: -

Consumer Price Index (CPI for Sept 2021) @3.1%-0.36% = 2.74%

For those properties where rent is below target rent, the increase can be:

Consumer Price Index (CPI for Sept 2021) @3.1%-0.36% = 2.74%

plus a maximum of £1 progression in order to achieve an average rent increase of 2.9%.

Those rents above target are frozen until such time that they meet the target, there are only 6 of these properties remaining. When a property becomes empty it is placed in the target rent band.

Based on applying the above for 2022/23 at 2.9% rent increase this would produce an average rent of £94.26 (increase of £2.66)

Details of the rent increases on individual households are below:-

Receive an increase of :-	2.9% increase
No increase	6
£1.00 to £1.99	38
£2.00 to £2.99	7,560
£3.00 to £3.99	1,366
£4.00 to £4.99	182
	9,152

Table : No .of Householders affected by average increases.

27% tenants are now in receipt of universal credit , 28% of tenants are on full Housing Benefit (HB), 18% are on partial HB and 27% receive no HB.

The proportion of dwellings below the rent they should be paying is 17% as a result of the £1 progression implemented last year and the rent being changed as a result of properties becoming vacant. This was over 85% when we began the harmonisation process.

4.4. Garage Rental Income

The HRA currently receives a net rental income of £125k per annum. This equates to a weekly charge of £9.00 per week. It is proposed that garage rents remain at £9.00 per week. Garage bases will similarly not increase and remain at £2.25.

4.5. Service and Heating charges

Service charges are calculated in line with the policy adopted in 2011. These charges are made to cover the additional services we provide as a landlord that are not covered within the rent and to ensure that all communal areas are kept in a good condition.

These charges will vary annually as they are based on actual expenditure from the previous financial year. By implementing the Service Charge Policy we are ensuring that tenants who receive additional services pay for them in a fair and transparent way.

4.6. Sewerage Treatment Works

We have 15 pumping stations serving approx. 154 properties, the cost of running and maintaining the stations falls on the HRA. We also have 8 cesspits. It is proposed for 2022/23 that current charges are increased as per our rent increase.

4.7. Commission on Collection of Water Rates

In addition to the rent collection process we act as an agent on behalf of Dwr Cymru/Welsh Water, which generates an income of £400k in the form of commission. The implementation of the HelpU & HelpU365 schemes for tenants has reduced this commission receivable by approximately £100k. The HelpU tariffs assists tenants with low household income (less than £15,600 per annum) by reducing their water bills by £200/£300 per annum.

4.8. Universal Credit

Universal Credit (UC) is a new monthly payment for people who are either unemployed, or working, but on a low income. It will eventually replace six legacy benefits, including Housing Benefit. For Carmarthenshire, it was introduced in December 2018. We currently have nearly 2,400 tenants on Universal Credit.

We anticipate, unless things change, that a further 4,000 tenants could transfer over the next two to three years. From a business point of view, evidence from other social housing providers has shown that rent arrears will increase in the short to medium term and we have allowed for this within this plan in terms of our bad debt provision.

To date, there has only been a slight increase in rent arrears overall. This is lower than we had been expecting and certainly compares very favourably with the experience of other social housing providers.

The CHS+ Business Plan presents more detail on this, including the actions that are being undertaken to mitigate the impact for Council tenants.

5. BALANCES

5.1. If a rental increase is set at 2.9%, the overall proposed budget will result in a deficit on the Housing Revenue Account of £3.4million for the year, however this has been accommodated in the long-term plan leaving £11million in balances at the end of 2022/23. It should also be noted in Appendix A that balances are required to support the current strategy of funding our capital expenditure and continue to make our business plan affordable over a 30-year period.

6. PROPOSED RECOMMENDATIONS TO CABINET:-

- 1. To increase the average housing rent as per the WG Social Housing Rents Policy.**
 - a. Properties at target rents will increase by 2.74% and
 - b. Properties where rent is below target rent, rent will increase by 2.74% plus a maximum progression of £1.00
 - c. Those rents above target are frozen until such time that they meet the target.
 - d. This will produce an increase on the average housing rent of 2.9% or £2.66 per week

This will produce a sustainable Business Plan, maintain CHS+, resource our Housing Regeneration and Development Delivery Plan and is supported by the Housing and Regeneration Strategic Team.

- 2. To implement maximum progression of £1.00, for rents below target, until target rents are achieved.**
- 3. To maintain garage rents at £9.00 per week and garage bases at £2.25 per week.**
- 4. To apply the service charge policy to ensure tenants who receive the benefit from specific services pay for those services.**
- 5. To increase charges for using our sewerage treatment works in line with rent increases.**
- 6. To approve the Housing Revenue Account Budget for 2022/23 (with 2023/24 and 2024/25 being soft budgets) as set out in Appendix A.**

- 7. To approve the proposed Capital Programme and applicable funding for 2022/23 and the indicative spends for the future years 2023/24 to 2024/25 as set out in Appendix B.**

Department for Communities
Homes & Safer Communities
Housing Revenue Account 2022/23 - 2024/25
Appendix A

REVENUE SPENDING TO:	Budget 2022/23	Budget 2023/24	Budget 2024/25
	£'000	£'000	£'000
Repair and maintain homes	12,318	12,918	13,500
Supervision and management	10,125	10,362	10,607
Support services e.g. legal and finance	1,776	1,813	1,851
Provision for Bad debts	594	606	619
Direct Revenue financing	10,000	10,000	10,000
Capital charges	14,884	15,694	16,423
TOTAL	49,697	51,393	53,000

REVENUE FUNDING FROM:	Budget 2022/23	Budget 2023/24	Budget 2024/25
	£'000	£'000	£'000
Tenant rents	43,447	45,662	48,033
Service charges	816	841	867
Interest received	6	5	4
Housing Finance Grant 2	246	246	246
Water rates commission	348	359	370
Grants / Other	1,433	1,520	1,588
TOTAL	46,296	48,633	51,108

Surplus/(Deficit in year)	-	3,401	-	2,760	-	1,892
---------------------------	---	-------	---	-------	---	-------

HRA END OF YEAR POSITION:	Budget 2022/23	Budget 2023/24	Budget 2024/25			
	£'000	£'000	£'000			
Balance brought forward from last year	14,324	10,923	8,163			
HRA budgeted surplus (+)/ deficit (-)	-	3,401	-	2,760	-	1,892
BALANCE CARRIED FOWARD	10,923	8,163	6,271			

Mae'r dudalen hon yn wag yn fwriadol

Department for Communities
Homes & Safer Communities
Housing Revenue Account 2022/23 - 2024/25
Appendix B

	Budget 2022/23	Budget 2023/24	Budget 2024/25
CAPITAL SPENDING TO: -	£'000	£'000	£'000
Maintain the standard:			
All Internal works	3,307	2,527	2,617
All External Works	3,000	2,000	2,000
Voids and Major Works to homes	7,200	6,500	5,500
Structural works - Estates and boundary walls (inc. identified structural works)	1,300	2,000	1,000
Decants	150	150	150
Support Tenant and Residents:			
Sheltered Scheme Investment	900	500	500
Assisted Living Projects	704	350	350
Adaptations	2,000	2,000	2,000
Environmental works	350	300	300
Garages	100	100	100
Provide more affordable homes:			
Housing Development Programme	17,323	20,977	18,150
Decarbonisation:			
Works to deliver decarbonisation	2,931	2,515	1,973
Support the delivery of CHS+:			
Programme management	669	682	696
Stock condition information	387	387	387
Risk Reduction Measures	2,370	864	285
Sewerage treatment works & associated costs	20	20	20
TOTAL	42,711	41,872	36,028
CAPITAL FUNDING FROM: -	Budget 2022/23	Budget 2023/24	Budget 2024/25
	£'000	£'000	£'000
Welsh Government Grant - MRA	6,225	6,225	6,225
Welsh Government Grant - other	9,134	7,608	6,500
Direct Revenue Financing	10,000	10,000	10,000
External Borrowing	17,352	18,039	13,303
TOTAL	42,711	41,872	36,028

Mae'r dudalen hon yn wag yn fwriadol

COMMUNITY & REGENERATION SCRUTINY COMMITTEE

Monday, 31 January 2022

5. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING RENT SETTING FOR 2022/23

The Committee considered the report presented by the Cabinet Member for Resources on the Housing Revenue Account (HRA) Budget and Housing Rent Setting for 2022/23, being presented as part of the budget consultation process that brought together the latest proposals for the Revenue and Capital budgets for the Housing Revenue Account 2022/25 to be presented to the Cabinet and Council for determination. The Cabinet Member advised that the report had been prepared reflecting the latest proposals contained within the Housing Revenue Account (HRA) Business Plan, being the primary financial planning tool for delivering and maintaining the Carmarthenshire Homes Standard Plus (CHS+) for the future. The proposed investment within the current business plan delivered the CHS by 2015 (to those homes where the tenants agreed to have work undertaken) provided investment to maintain CHS+ and continued investment for the Authority's Housing and Regeneration Delivery Plan. The report detailed how rents would increase for 2022/23 with the HRA budget being set to reflect:-

- Social Housing Rent Policy (set by Welsh Government) which this year, due to the increased level of CPI had activated the Minister's determination
- Proposals contained in the Carmarthenshire Housing Revenue Account Business Plan
- Housing Regeneration and Development Delivery Plan The Cabinet Member reminded the Committee that with regard to the setting of the Housing Rents, the Authority had, on the 24th February 2015, adopted the Welsh Government's Social Housing Rent Policy for the four year period ending in 2018/19. For 2019/20, the Welsh Government had provided an interim policy while it awaited the results of the Affordable Housing Supply Review. Following that review, the Welsh Government had decided to retain the policy for a further 5 year period from 2020/21 – 2024/25 with some additional/amended requirements, as detailed within the report. This policy allowed local authorities to uplift the total rent envelope by CPI + 1% for each of the 5 years running to 2024/25. It also allows for the level of rent for individual tenants to rise by up to an additional £2 over and above CPI+1% for the rent harmonisation, on condition that the total rental income collected by the social landlord increases by no more than CPI+1%. However, should CPI fall outside the range of 0% to 3%, the policy provides for the Minister with responsibility for Housing to determine the appropriate change to rent levels to be applied for that year only. As CPI was 3.1% in September 2021 this clause has been activated this year and the Government Minister for Climate Change had instructed that the maximum increase in the rent envelope for any local authority should not exceed 3.1% The Cabinet Member went on to confirm that this year we had been able to respond to all our priorities and been able to balance the business plan and propose a rent increase at an overall increase of 2.9%, which will produce an average rent of £94.26 for our tenants. Included within the overall rent increase envelope it was proposed that the Authority continues with the rent progression and this will be set at a maximum of £1 for properties below target rent.

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

5.1 to increase the average housing rent by 2.90% (£2.66) per dwelling as per the Welsh Government's Social Housing Rents Policy thereby producing a sustainable Business Plan, maintain CHS+ and resource the Housing Regeneration and Development Delivery Plan, as supported by the Housing and Regeneration Strategic Team.

5.2 To keep garage rents at £9.00 per week and garage bases at £2.25 per week.

5.3 To apply the service charge policy to ensure tenants who received the benefit from specific services paid for those services.

5.4 To increase charges for using the Council's sewerage treatment works in line with the rent increase.

5.5 To approve the Housing Revenue Account Budget for 2022/25 (2023/24 & 2024/25 being soft budgets) as set out in Appendix A to the report.

5.6 To approve the proposed Capital Programme and applicable funding for 2022/23 and the indicative spends for 2023/24 to 2024/25, as set out in Appendix B to the report.

Cabinet 24AIN CHWEFROR 2022

Y Pwnc: CYNLLUN BUSNES Y CYFRIF REFENIW TAI 2022-25 RHAGLEN BUDDSODDI MEWN TAI SIR GAERFYRDDIN

Y Pwrpas:

- Esbonio gweledigaeth a manylion ein rhaglen buddsoddi mewn tai dros y tair blynedd nesaf, gan gynnwys ein cynlluniau gwella stoc tai, y rhaglen adeiladu newydd, ein cynlluniau i ddod yn ddi-garbon net a'r hyn y maent yn ei olygu i denantiaid.
- Cadarnhau'r incwm a gawn o renti tenantiaid a ffynonellau ariannu eraill dros y tair blynedd nesaf a sut mae hyn yn ein galluogi i ddatblygu rhaglen gyfalaf sy'n fwy na £120m, a fydd yn:
 - Gwella a chynnal ein stoc tai bresennol
 - Cefnogi'r gwaith o ddarparu dros 2,000 o gartrefi newydd yn ein cymunedau
 - Cefnogi Egwyddorion Di-garbon Net y Cynghorau, creu cartrefi sy'n defnyddio ynni'n effeithlon, lleihau allyriadau carbon a hyrwyddo cynhesrwydd fforddiadwy i denantiaid
 - Helpu i ysgogi twf ac adferiad economaidd yn dilyn pandemig Covid 19
 - Helpu i adeiladu cymunedau cynaliadwy cryf – mannau lle mae pobl yn falch o alw adref
- Cadarnhau'r proffil ariannol, yn seiliedig ar ragdybiaethau cyfredol, ar gyfer cyflawni ein rhaglen buddsoddi mewn tai ac adeilad newydd y Cyngor dros y tair blynedd nesaf
- Llunio cynllun busnes ar gyfer y cais blynyddol i Lywodraeth Cymru am Grant Lwfans Atgyweiriadau Mawr (MRA) ar gyfer 2022/23, sy'n cyfateb i 6.2m.

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

- Cadarnhau'r weledigaeth ar gyfer ein rhaglenni buddsoddi mewn tai dros y tair blynedd nesaf
- Cytuno y gellir cyflwyno Cynllun Busnes 2022/23 i Lywodraeth Cymru
- Nodi'r cyfraniad y mae'r Cynllun yn ei wneud i'r Cynllun Cyflawni ar gyfer Adfywio a Datblygu Tai i gefnogi'r gwaith o ddarparu dros 2000 o gartrefi
- Nodi'r egwyddorion y tu ôl i symud tuag at gartrefi di-garbon net a datblygu Strategaeth Datgarboneiddio a Chynhesrwydd Fforddiadwy i gefnogi hyn
- Nodi pwysigrwydd y buddsoddiad a gynhwysir yn y cynllun hwn a'i rôl o ran ysgogi'r economi leol ac adferiad o bandemig Covid 19.

Y Rhesymau:

- Parhau â'n gweledigaeth buddsoddi mewn tai a chyflawni'r hyn sy'n wirioneddol bwysig i denantiaid
- Parhau i gefnogi tenantiaid drwy gynnal y safon a chyflymu'r ffordd yr ydym yn mynd at yr agenda di-garbon net. Bydd hyn yn caniatáu esblygiad ein rhaglenni buddsoddi stoc arfaethedig fel eu bod yn addas ar gyfer y dyfodol. Bwriedir buddsoddi £64m yn gyffredinol dros y tair blynedd nesaf.
- Cefnogi'r buddsoddiad o £56m sy'n ofynnol gan y Cynllun Cyflawni ar gyfer Adfywio a Datblygu Tai dros y tair blynedd nesaf o ran darparu mwy o gartrefi rhent cymdeithasol i ddiwallu'r angen am dai yn ein cymunedau.
- Cysylltu ein rhaglen buddsoddi mewn tai â mentrau adfywio ehangach gan ganolbwyntio'n wirioneddol ar ddatblygiadau yn ward Tyisha, Pentre Awel, Canol Trefi a threfi a phentrefi gwledig.
- Sicrhau bod aelodau'n ymwybodol bod cyflawni'r Cynllun Busnes yn dibynnu ar gynnydd rhent cyfartalog cyffredinol o 2.9% gydag uchafswm cynnydd o £1 ar gyfer y tenantiaethau hynny sy'n is na'r rhent targed. Bydd y rhan fwyaf o denantiaid yn cael cynnydd rhent cyfartalog o 2.7% sy'n sylweddol is na'r lefel a bennwyd gan Lywodraeth Cymru ar 3.1% a'r gwerthoedd chwyddiant cyfredol.
- Cael gafael ar grant MRA gan Lywodraeth Cymru (£6.2m) ar gyfer 2022/23 i helpu i gynnal ein cartrefi presennol.

Ymgynghorwyd â'r pwyllgor craffu perthnasol DO – Pwyllgor Craffu Cymunedau ac Adfywi – 31 Ionawr 2022

Angen i'r Cabinet wneud penderfyniad OES – 21 Chwefror 2022

Angen i'r Cyngor wneud penderfyniad OES - 2 Mawrth 2022

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

Cyng. Linda Evans (Deilydd Portffolio Tai)

Cyng. David Jenkins (Deilydd Portffolio Adnoddau)

<p>Y Gyfarwyddiaeth: Cymunedau</p> <p>Enw Pennaeth y Gwasanaeth: Jonathan Morgan</p> <p>Awdur yr Adroddiad: Gareth Williams</p> <p>Rachel Davies</p>	<p>Swyddi:</p> <p>Pennaeth Cartrefi a Chymunedau Diogel</p> <p>Arweinydd Buddsoddi mewn Tai</p> <p>Rheolwr Cyflenwi Tai Strategol</p>	<p>Rhifau ffôn/ Cyfeiriadau E-bost:</p> <p>JMorgan@sirgar.gov.uk 01267 228285</p> <p>GaJWilliams@sirgar.gov.uk 01554 899245</p> <p>Ramdavis@sirgar.gov.uk 01554 899202</p>
---	---	---

EXECUTIVE SUMMARY
CABINET MEETING
21ST FEBRUARY 2022

SUBJECT:
HOUSING REVENUE ACCOUNT BUSINESS PLAN 2022-23
CARMARTHENSHIRE HOUSING INVESTMENT PROGRAMME

1. Purpose

- 1.1. At the start of each we develop a business plan which explains our vision and the three-year housing investment programmes to maintain our stock and deliver more affordable homes.
- 1.2. It is important that the plan is clear and that all readers, including our tenants, understand its contents. Meeting our tenant's expectations is a key priority within the plan.
- 1.3. The income that we receive from tenants' rents and other funding sources enables us to build an investment programme exceeding £274m (Capital - £120m and Revenue - £154m) to run our services, build more affordable homes, improve and maintain our existing stock as well as develop new standards to meet our net zero carbon ambitions over the next three years.
- 1.4. The plan also reflects on previous years achievements and through careful consideration, confirms the financial profile (based on current assumptions) for housing stock investment and delivery of more affordable homes, over the next three years
- 1.5. To help maintain the investment programme, each year we apply for WG Major Repair Allowance (MRA) grant. We access this funding by having a detailed business plan and compliance policy. The MRA application for 2022/23 will equate to £6.2m.

2. Context

- 2.1. The Business Plan sets out our priorities, plans and activities for 2022- 2025 for new and existing homes.
- 2.2. The Plan focuses in particular on how our investment programme will help the Counties economic recovery following the pandemic, boost local supply chains and ensure that we have a resilient workforce to meet the future demand of the service.
- 2.3. The plan also seeks to acknowledge the effects that the pandemic has had on our tenants. It shows how we have developed new ways of communicating with tenants

and continued to engage, support or provide services to those more vulnerable household's in our communities.

- 2.4. A comprehensive investment programme has been put together to carry out work that builds on what we were able to do in 2021/22. Through careful consideration and planning the plan looks to continually improve the standards within our existing stock, build more homes using innovative technology and ensure that current and future tenants have quality, affordable homes to live in.
- 2.5. As of 31st March 2022, the Council was fully WHQS Compliant having met the standard during 2015 utilising a whole house delivery approach. Some of our housing stock does not meet the CHS standard and the main reason was due to resident's choice (95%). A small number of properties (5%) were not improved because of physical constraints or the cost of remedy.
- 2.6. The Council has over 9000 homes and our approach goes beyond general repair and maintenance, it is based on looking at the whole life of the homes. Adopting this approach means that we can guarantee that what we do today, will be fit for purpose and sustainable for years to come.
- 2.7. Over the next three years we plan to deliver a comprehensive work programme that will see an investment of £64m in our existing homes and nearly £56m in building new Council homes.
- 2.8. To maintain this level of investment we have considered a rent increase within the Plan. In previous years we have taken care to set this in accordance with the WG rent policy of Consumer Price Index (CPI) plus 1%. Applying this in 2022/23 would mean an exceptionally high and unaffordable overall average rental increase of 4.1% for all tenants.
- 2.9. As the Consumer Price Index in September 2021 falls outside the 3% threshold set within the policy, the Housing Minister has discretion to set the maximum rental increase for all social housing providers for 2022/ 23. It has been set at 3.1%, however, we have limited the rental increase to **2.9%** overall with a maximum £1 progression for those tenancies below target rent.
- 2.10. Most tenants will receive a 2.7% average rent increase which is significantly below level set by WG and current inflation values.
- 2.11. The plan has been divided into **five** key themes that will drive our business for the next three years. They are as follows:

Theme 1- Supporting Tenants & Residents

The commitment and support of our tenants' and Members' continues to be important to us to ensure that we maintain and improve our housing stock in the future. Our tenants are pleased with the services they receive with 77% satisfaction overall. We do however understand that there is more that we can do to engage with our tenants. We will explore new

innovative ways to engage with our tenants and give each and every one an opportunity to have their say

Theme 2- Investing in Homes & Surrounding Areas

Tenants tell us that getting repairs done on time and maintaining homes to a good standard is important to them. Maintaining the standard is a statutory duty, and the Council has made a commitment to maintain the stock through this plan and programme of work. This year we will review our housing standards to ensure that it embraces our net zero carbon ambitions, promotes affordable warmth and meets the diverse needs of our tenants. We are also carrying out a new stock condition survey which will help develop our new investment programmes and provide cost certainty for the future.

Re-letting our empty Council homes remains a key priority, it will help maintain the standard, increase revenue and more importantly provide a home for those in need. In 2022/23 we will carry out a robust review of our letting processes and ensure that our current contractor frameworks have the capacity required to turn our empty homes around quickly.

We will also make sure that our homes are safe by reviewing risk reduction measures, particularly around fire safety, radon and electrical installations. We will also consider our offer to older people and the investment/changes required in our sheltered schemes.

Theme 3- Providing More Homes

Providing more affordable homes has been a strategic priority for the Council for a number of years. Our affordable housing plans have also played a key part in economic recovery following the Covid19 pandemic.

During 2020, we exceeded our target of delivering 1000 affordable homes a year ahead of schedule and last year we completed and let a further 114 homes through our new build programmes and made 37 homes available to vulnerable clients with learning disabilities and mental health.

We have also developed our new Housing Regeneration & Development Delivery Plan that outlines a programme for delivering more homes in the County over the next 5 years. Through this plan we will support the delivery of over 2000 homes stimulating economic growth and creating strong sustainable communities.

Our approach and delivery will be based on expanding the innovative affordable housing solutions already developed. It will also include maximising all funding opportunities to support wider regeneration initiatives, including rural areas, town centres, Pentre Awel, Tyisha and being part of and contributing to the Swansea Bay City Region Deal-Homes as Power Stations programme.

Theme 4- Decarbonisation of our Housing Stock

Our aim is to make all of our homes energy efficient and reduce our carbon emissions. We will achieve this by bringing all of our Council homes up to a Band A Energy Performance Rating as quickly as possible. Decarbonising our housing stock, looking at our services and reducing carbon emission from our activities will be a strategic focus for us for years to come, as we aim to become a Net Zero Carbon Authority by 2030. The work that we have done with Welsh Government and academics at the Welsh School of Architecture and the Active Building Centre so far has allowed us to understand what the retrofit programme will look like. Our work with both Cardiff and Swansea Universities will continue as there is more to be done to find the optimum solution for every home and determine when that work should be done, in line with our cyclical maintenance programmes and improvements to technology and the national grid. This will help us control our investment programme over a longer period of time, minimise disruption, cut down on waste and the

amount of embodied carbon whilst maintaining a pipeline of work to support the local economy, skills and talents.

Decarbonising our homes is more than just a replacement programme for low carbon heating and renewable energy, we must ensure that our homes reach the highest possible energy performance so that our tenants benefit from affordable warmth. We will aim to bring our homes up to a minimum SAP level of 92 (EPC Rating A) or at get them 'carbon ready' to meet the high standards set with our new build homes which are extremely efficient.

Included in the plan are pilot schemes that will enhance our learning and provide optimum solutions for retrofit. This year we will also introduce our Housing Decarbonisation and Affordable Warmth Strategy.

Theme 5- The Local Economy, Community Benefits & Procurement

We fully embrace the role of housing-based investment in stimulating, supporting and developing the foundational economy. As we move forward with our recovery plans the housing stock investment and Council new build programmes will provide sustained periods of trade. They will benefit local contractors and builders, creating more jobs, training opportunities and other community benefits. The decarbonisation of our homes will also become a fundamental part of our future stock improvement programmes. Rolling this out across our entire housing stock will result in increased job opportunities and further training opportunities as we explore new ways of providing low carbon, energy efficient homes for our tenants.

Procuring services whether through the framework or competitive tender must be equitable for us as the Council, the contractors and for our tenants. Ensuring that we have value for money is our utmost priority, but if we have the chance to support local suppliers through our investment programme, we will do that. One area that we are keen to explore through this plan and delivery programme is how we include 'environmental benefits' in contracts so that suppliers are accountable for the amount of carbon they produce. This cannot delay procurement strategies or the ability to undertake work, but we do want our suppliers to be considerate about their activities and their supply chains. This may in turn, result in local economic benefits through local production, manufacturing and workforce.

-
- 2.12. Annually the Council reviews the Housing Revenue Account (HRA) Business Plan which sets out the investment needed to maintain the housing investment programmes. The Council has a robust 30-year business plan in place and since April 2015 has become self-financing having exited the Housing Revenue Account Subsidy System (HRAS).
- 2.13. We will also pursue, where possible, other funding streams and grants to maximise our income that will support and complement the work programmes and/ or services outlined in the Business Plan. In 2021/22 we received over £15m in grant funding through successful bids to Welsh Government.
- 2.14. Also included in the plan is how we measure and verify compliance. We believe that we report compliance accurately in achieving and maintaining the Welsh Housing Quality Standard, and we will continue to do so.

3. Conclusion

- 3.1. In concluding, we believe that this Business Plan sets out a clear intent to improve our housing stock, look to the future with the decarbonisation strategy that will help our environment and lower tenants fuel bills, as well as building more affordable homes to meet an ever-increasing demand on front line homelessness services.
- 3.2. Whilst these are exciting times, we know that this is also a time of uncertainty for our tenants, many of which have had a reduction in their Universal Credit. We will continue to support individual tenants or families who have or will suffer financial hardship
- 3.3. Investing £120m in capital projects over the next three years will stimulate our local economy which will help our communities to recover and build resilience for the future. The programme doesn't just bring our activity back up to pre pandemic levels it exceeds it, but in doing so we must ensure that there is capacity within industry to deliver.
- 3.4. Finally, we have set out what the key assumptions are to make sure the Business Plan is balanced, remains viable and is realistic on what we will spend the money on and how it is funded.
- 3.5. Over the next year we must ensure clarity from Welsh Government on their future financial priorities in terms of maintaining existing standards, introducing new standards to support the decarbonisation agenda and building much needed affordable homes for those in need.

4. Recommendations

- 4.1. To confirm the vision for our housing investment programmes over the next three years
- 4.2. To agree that the 2022/23 Business Plan can be submitted to Welsh Government
- 4.3. To note the contribution the Plan makes to the Housing Regeneration and Development. Delivery Plan in supporting the delivery of over 2000 homes
- 4.4. To note the principles behind moving towards net zero carbon homes and develop a Decarbonisation and Affordable Warmth Strategy to support this

4.5. To note the importance of the investment included in this plan and its role in stimulating the local economy and recovery from the Covid 19 pandemic.

DETAILED REPORT ATTACHED ?

YES – HRA Business Plan 2022/2025

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: Jonathan Morgan

Head of Homes and Safer Communities

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

1. Policy, Crime & Disorder and Equalities

The HRA Business Plan will act as the framework for policy development across Homes and Safer Communities and will contribute to wider agendas and programmes.

2. Legal

The Housing (Wales) Act 2014 sets out our statutory duty to maintain the Welsh Housing Quality Standard in our existing stock.

3. Finance

Maintaining and investing in our housing stock will continue to present significant financial challenges and risks to the County Council.

A capital investment of £231m has been undertaken to deliver the CHS+ by 2015. This included £117million of unsupported borrowing. Since achieving the CHS, a further £89M will have been spent on maintaining the standard and £62m on providing additional affordable homes in the HRA by the end of 2022/23.

Through careful management, the financial model remains viable to not only maintain the housing stock and evolve the current standard but also delivers more affordable homes. A summary of costs over the next three years is included in the plan.

An overall rent increase of 2.9% with a maximum £1 progression for those below target rent for 2022/23 is also assumed in the plan.

4. Risk Management

The housing investment programme is identified as moderate risk in the Council's Risk Management Plan. A risk management plan has been developed to mitigate and review all risks associated with the programme.

Failure to deliver a viable Business Plan to Welsh Government by the end of March 2022 will mean the MRA of £6.2m for 2022/23 being withdrawn.

5. Physical Assets

The housing investment programme will involve the management, maintenance and improvement of the Council's housing stock. This will be carried out within the context of our asset management principles which are defined within the plan. Any decision to acquire, convert or dispose of homes, land and/or garage areas will be considered in line with these principles.

This plan will also result in an increase in the number of homes in the Council's housing stock through the Council new build and purchasing private sector homes programmes.

CONSULTATIONS

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

Signed: Jonathan Morgan

Head of Homes and Safer Communities

1. Scrutiny Committee –

Community & Regeneration Scrutiny Committed will be consulted on 31st January 2022.

2. Local Member(s) - N/A

3. Community / Town Council - N/A

4. Relevant Partners

Engagement with stakeholders and partners has taken place in order to develop this Plan through digital interaction.

5. Staff Side Representatives and other Organisations

Engagement with tenants, has taken place in order to develop this Plan, however this has been limited because of the pandemic and stakeholder events, 1-2-1 interviews, visits and events in communities, and various meetings have not been included.

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED: YES	
--	--

Section 100D Local Government Act, 1972 – Access to Information List of Background Papers used in the preparation of this report:		
Title of Document	File Ref No.	Locations that the papers are available for public inspection
HRA Business Plan 2022/2025	Housing General Files	Council website- Democratic Services

Housing Revenue Account Business Plan 2022-25

Carmarthenshire Housing Investment Programme



carmarthenshire.gov.uk/housing

Cyngor **Sir Gâr**
Carmarthenshire
County Council



Tudalen 149

Contents

Foreword by our Cabinet Members	3
Introduction	5
2021/ 2022 Achievements	6
What your rent was used for in 2021/2022.....	7
Context.....	7
Theme 1 - Supporting Tenants and Residents	10
Theme 2 – Investing in Homes and the Environment	12
Theme 3 – Providing More Homes	16
Theme 4- Decarbonisation of our Housing Stock & Services.....	21
Theme 5 - Local Economy, Community Benefits and Procurement.....	24
Funding and Risk Management	26
Compliance, Verification and Monitoring.....	29

Foreword by our Cabinet Members

It is with great pleasure we introduce our Housing Revenue Account (HRA) Business Plan for 2022-2025. This plan sets out our priorities and activities for new and existing Council homes for the next three years. Our plans are exciting and ambitious. They will help stimulate economic growth, improve health and well-being and build strong sustainable communities.

The Covid pandemic continues to affect our housing services and tenants, but during 2021/22 we were able to deliver a comprehensive programme of works on our homes and maintain services to all our tenants. This Plan will build on our response to the pandemic and the contribution it makes to the local economy by continuing to deliver our ambitious programmes over the next three years. During this period, we will invest over £274m into social housing in Carmarthenshire (Capital £120m and Revenue £154m).

The demand for affordable homes across the County remains high and the number of individuals or families presenting as homeless is still greater than what it was pre-pandemic. But even in these challenging times, through the continuous hard work of officers, we have maintained high standards of performance and delivered on our promises.

As an administration, providing more affordable homes has been so important to us. We have already exceeded the targets in our first affordable housing plan, produced in 2016, which delivered over 1,000 homes, nearly a year ahead of programme. We are confident that providing more homes in the right areas and giving people a choice of where they would like to live, will build stronger, more resilient communities. Our new development programme will support the delivery over 2,000 homes and support the regeneration of our town centres, rural towns and villages and our major regeneration sites including the innovative Pentre Awel Life Science Village in Llanelli and Transforming Tyisha programme.

We also look forward to a new era in improving our existing housing stock. The Council is leading the way on decarbonising our homes which will make our homes more affordable for our tenants. This plan shows a firm commitment to support the investment required for the new Housing Decarbonisation and Affordable Warmth Strategy which will involve improving the fabric performance of our homes, low carbon heating solutions and renewable technology. This programme of work will make a substantial contribution to tackling the climate emergency and follow the Council's principles of becoming a Net Zero Carbon Authority by 2030.

Supporting our tenants remains one of our key priorities. We know that the introduction of Universal Credit has presented a cultural change for many tenants in managing their monthly budgets. This continues to be a major challenge for us in terms of future income and, more importantly, for tenants. Nearly 2,500 tenants have already transferred over to the new system and an action plan to reduce the impact as much as possible for tenants across all tenures has been introduced, which is proving successful in mitigating the impact.

These are exciting times, but we know that this is also a time of uncertainty for our tenants. As a result, we have been able to keep the rent increase for 2022/23 as low as possible.

Finally, we would like to thank tenants, staff and members for their continuous support in driving our ambitious plans forward. We know that there is a lot more to do and that pandemic has temporarily delayed some of our programmes. However, the details within the plan clearly lay out our priorities and opportunities going forward. The plan provides confidence that we will continue to invest in new and existing homes, improve our tenants' lives, reduce carbon emissions, and help our communities and economy become stronger than ever before.

Diolch yn fawr iawn,



Cllr. Linda Davies Evans
Cabinet Member for Housing



Cllr David Jenkins
Cabinet Member for Resources

Introduction

Introduction

The Welsh Housing Quality Standard (WHQS) is the standard set for all social housing in Wales by Welsh Government (WG). The WHQS was first introduced in 2002 and aimed to ensure that all homes are of good quality and suitable for the needs of existing and future residents. WG set a target for all social landlords to improve their housing stock to meet the WHQS as soon as possible, but in any event by 2020.

Carmarthenshire's tenants developed their own standard, called the Carmarthenshire Homes Standard (CHS), and this was successfully delivered in 2015, well in advance of the WG timescales.

Purpose of the HRA Business Plan

The purpose of this Plan is to explain the vision and detail of our Housing Investment Programme, and what it means for tenants. It also includes a £120m capital investment programme for the next three years. This will enable us to continue to improve and maintain our Council housing stock, build new Council homes in our communities and improve the energy efficiency of our existing homes, reducing carbon emissions and supporting the Council's net zero carbon principles.

The approved Plan enables us to submit our annual application to WG for Major Repairs Allowance (MRA) for 2022/23, which amounts to £6.2m. Previous years' business plans and forecasting of our spend profile have allowed us to draw down the full MRA allocation every year.

Advancing the HRA Business Plan

This Plan is updated annually considering the views of tenants and stakeholders, the latest stock condition information, updated financial information, WG guidance and any revised Council policies.

Progress against the actions within the plan, associated budgets and strategic direction will be monitored regularly by the Housing & Regeneration Strategic Team. The plan also acknowledges the link between good quality housing and estate management with the seven goals in the Well-being of Future Generations Act.


A copy of the Governance structure and the well-being goals are provided in Appendix A.

2021/2022 Achievements

In 2021/22 the delivery of all housing related services continued despite the lasting effects of the Covid 19 pandemic by providing accommodation and support to some of our most vulnerable residents.

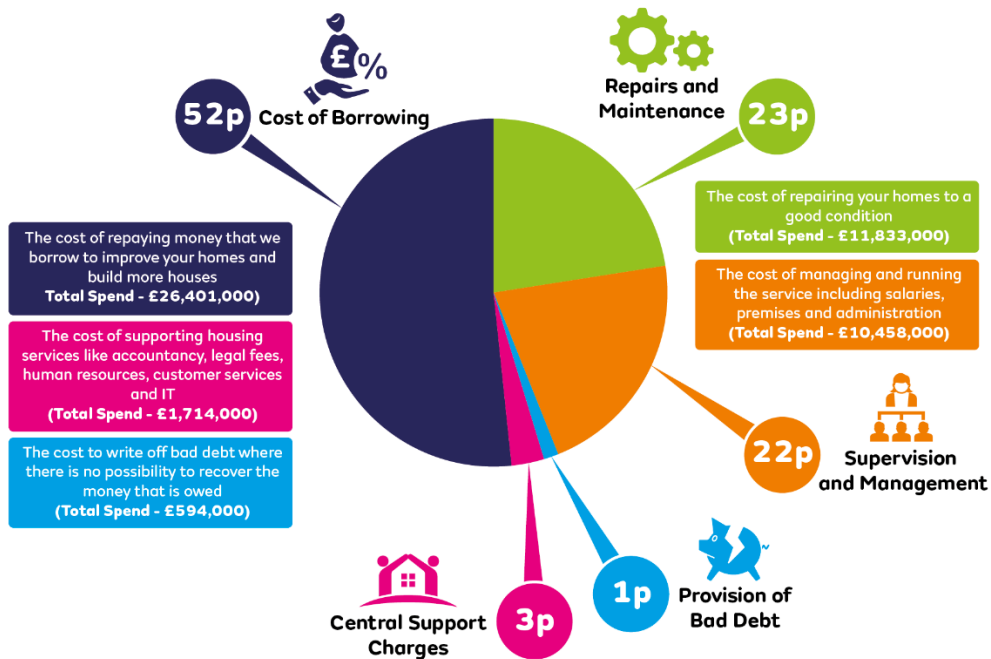
Over the last 12 months we have:



- Completed and let 114 new build homes at Maespiode in Llandybie, Gwynfryn in Ammanford, Glanmor Terrace in Burry Port, Garreglwyd in Pembrey and Dylan in Llanelli
 - Made available 37 supported units of accommodation (independent and shared) to clients with learning disabilities and mental health, lowering the overall costs to social care budgets
 - Continued to provide temporary accommodation to individuals and families threatened with homelessness and reduced the use of Bed & Breakfast accommodation
 - Provided additional support and well-being services to vulnerable households
 - Continued with our voids, repairs, maintenance, servicing and adaptations programmes
 - Published the new Housing Regeneration and Development Delivery Plan which outlines our plans to support the delivery of over 2000 new homes over the next 5 years
- 
- Conducted a new STAR tenant satisfaction survey
 - Completed the Decarbonisation Optimised Retrofit Programme (ORP 1) with WG and been successful in securing grant funding to do further pilots on ORP 2
 - Completed a research programme with Cardiff University to model and develop our Decarbonisation Strategy and implement a new Asset Management System
 - Maximised our income through successful grant funding bids including Integrated Care Fund, Land Release Fund, Social Housing Grant, Land and Buildings Development Fund and IHP Optimised Retrofit Grant.

The following sections will provide the context and detail of what we plan to deliver over the next three years. This includes how we intend paying for it and the wider benefits of the investment programme. We will cover FIVE key themes that have been identified that will drive our business for the next three years.

What your rent was used for in 2021/2022

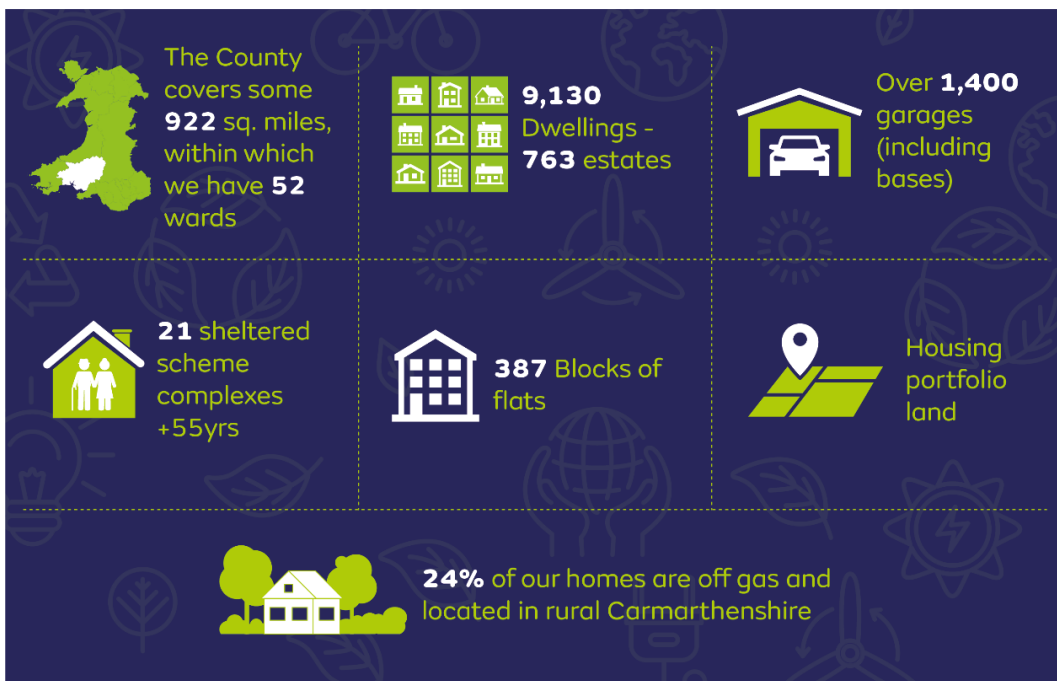


Context

The HRA Business Plan

This Plan covers all housing services and assets in the Housing Revenue Account (HRA). It sets out our objectives and what this means for tenants and leaseholders across a range of housing activities.

The County is made up of:



Further details of our housing assets and the profile of our tenants and applicants are set out in Appendix B.

The Plan outlines the delivery programmes that will enable us to maintain full compliance with the WHQS.

We will focus on:
Demonstrating sustained commitment and investment in repairs and maintenance
Appraising options for some of our more uneconomic housing stock
Our new build programme of work outlined in the Housing Regeneration & Development Delivery Plan
Decarbonising our existing housing stock by carrying out a retrofit programme of work that aligns with cyclical maintenance
Getting value for money, good quality workmanship and making sure that our suppliers share our values

We will invest nearly £57m in our existing homes over the next three years. £7m will be used directly to meet our net zero carbon ambitions, making our homes energy efficient and reducing costs for our tenants. The plan has a revenue provision of £39m for repairs and maintenance and over £56m will be invested in building new Council homes. Whilst this is an ambitious investment programme and capitalises on additional Welsh Government grant funding, we must be prudent in our spending and consider increased inflation levels and the capacity within the building sector to deliver our programmes.

Approach to managing assets

Our approach goes beyond repairs maintenance and improvements. It is based on looking at the whole life of the homes and the tenants that will live there. It also makes sure that these homes are in the right location, are affordable and are of a high quality. Applying an effective asset management strategy will help us continue to achieve this. It will go beyond general component compliance, ensuring value for money, and how running cost will affect tenants.

Underpinning this are the following principles:	
Communication & Engagement	Engage with tenants, stakeholders and members and meet aspirations and priorities. It is important that we communicate with our tenants before, during and after the work has been completed and learn from their experiences
Stock Condition & Verification	Assess the condition of our stock regularly to inform our cyclical work programmes, linked to decarbonisation measures and review/ revisit any homes that do not meet the CHS+. We will plan the work in a way that reduces the embodied carbon in our activities.
Risk Reduction	There will be legislative changes from time to time particularly around building safety, health impact and general building regulations. We will respond and adapt to these changes and align our work programmes.
Responsive Repairs	Responding to unplanned failures in homes is critical to our services, for tenants and to avoid further deterioration or disrepair to the building or its components. We will respond to any reported defects within the agreed timescales, prioritised by urgency. However, by carrying out general annual checks on our homes and identifying any issues we will be able to reduce the need to respond to any unplanned repairs.

Empty Council Homes (Voids)	We will bring empty homes back into use quickly and efficiently. This will help alleviate the demand on front line homelessness services, maintain standards and lower void loss from missed revenue. In 2022/23 we will carry out a robust review of our letting processes to ensure that there is capacity within the contractor frameworks to turn around empty homes quickly.
Improving Communities & Estates	Taking opportunities to carry out environmental estate improvements that are strategically targeted, will improve our neighbourhoods, community cohesion and create a sense of place.
Procurement	Our procurement strategies ensure value for money and where possible use local suppliers or contractors to stimulate the local economy, develop skills and talents for future generations. We also look to ensure that suppliers share our values including the need to reduce their carbon emissions.

The Compliance Policy (Appendix E) shows how we will achieve this, through allocating adequate resources to maintain the standard, a robust asset management system, verification of the data and validation to ensure cost certainty over the 30 year financial model.

Ensuring our assets are economical to maintain and meet our strategic objectives

Homes	<p>Every year there are a small number of homes that need major work where the previous tenants have declined the CHS works, or where inherent structural defects are identified. We will monitor these and intervene appropriately.</p> <p>Before committing to do the work, we need to ensure that the cost of work is proportional to the value of the property and demand for housing. For consistency, extensive work programmes, for one or more homes, will be assessed based on the Most Satisfactory Course of Action (MSCA). This will allow us to establish the net value of the homes over a 30-year period and whether we should invest further.</p>
Garages	We have been gathering information on the types of agreements used and the condition of garages, by establishing who uses the garages and bases. Our intention is to standardise agreements and charges and consult owners and leaseholders on future options for garage sites including repairs or even demolition if they are unsafe, unused or would have a positive impact on the surrounding area if the land was used for something else.
Land	<p>We own areas of land across the County. As part of our commitment to affordable housing, we have identified areas of land that could be used for development, prioritising those in areas of greatest need and meeting the Councils wider strategic regeneration priorities.</p> <p>We may sell land which we have no use for and is costly to maintain. The capital receipts from sale(s) will contribute to maintaining our stock.</p>
Sewage Treatment Works	We currently have 15 treatment works serving 154 homes and 8 septic tanks. We have, conducted an options appraisal of all of the sites within the last 6 months which has generated a programme of remedial works that will comply with licence discharge conditions. As part of this process, we will revisit the charging arrangements for tenants and private homeowners benefiting from the treatment works and monitor the ongoing maintenance of these facilities

Theme 1 – Supporting Tenants and Residents

The commitment and support of our tenants and Members is important to us, to ensure that we maintain, improve and expand our housing stock in the future.

Tenant and resident engagement and communication



To make it easy and inviting for tenants to get involved in shaping strategic decisions and improve services through meaningful involvement by ensuring residents have the relevant skills.

Tenant and community engagement have always underpinned the delivery of our services, but we want to do more. We want to get better by engaging as widely as possible and with those that don't usually take part, to maximise opportunities and help build stronger communities.

We strongly believe we should give our tenants the opportunity to influence decisions about their homes, the area where they live and ensure that the services they receive provide value for money. We will do this by:

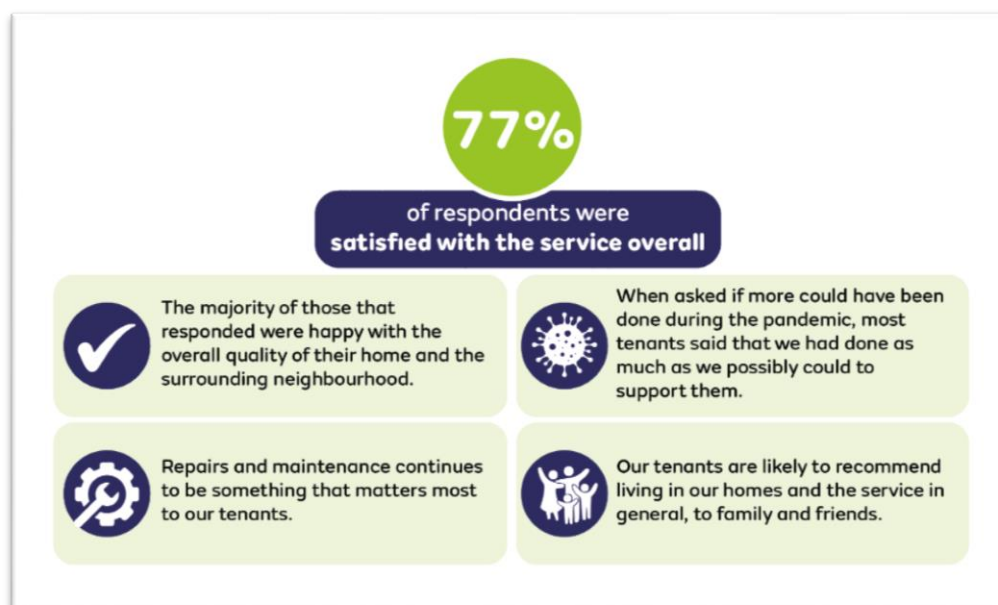
- Engaging with our tenants daily on an informal basis. Our Housing Officers will talk to tenants to understand their needs and views in their homes and in the community.
- Having tenant and community event days where tenants and residents can share their views whilst participating in community activities.
- Providing digital platforms that are safe and secure for tenants to raise concerns, give ideas or promote events that involves their community

Impact of Coronavirus.

Covid 19 has impacted significantly on a many of our activities and the way we engaged with our tenants. Events and projects had to be postponed during the lockdown periods last year until a time that they were safe to resume. Over the past year we have found new digital ways to communicate with our tenants. We have ensured that our new communication method suit our tenants and where possible we have resumed face to face contact.

What are our tenants telling us?

In October 2021 we undertook a new tenant satisfaction survey. In total, 1,938 tenants took part in the survey, which represented a 26% response rate overall. A third of the total number of responses were collected online (660) compared to a quarter of responses received in the last survey and 47 surveys were completed in Welsh (2%).



Generally, our satisfaction rates were greater than the average for other stock retaining authorities and equal to other registered social landlords. Satisfaction in responding to repairs and carrying out works was also comparable. Listening and acting on tenants' views is something that we would like to improve on.

What happens next?

- Gain a better understanding of differences in satisfaction rates from the STAR survey
- Develop new ways to include and engage with younger people and families
- Engage with tenants on our plans to decarbonise their homes
- Continue with the roll out of the time-banking platform "Connect to Carmarthenshire"

Responding to Universal Credit & Covid 19

Universal Credit (UC) was introduced in Carmarthenshire in 2018 and replaced six legacy benefits including Housing Benefit. We currently have 2394 tenants on Universal Credit and a further 3154 that could transfer across. How tenants on UC currently pay their rent is shown in Appendix B.

When UC was first introduced in Carmarthenshire, we anticipated a significant increase in rent arrears in the short to medium term based on other Local Authority experiences. The pandemic will have also affected the way working families or individuals pay and we have allowed for this within this plan through bad debt provision. However, we are not experiencing the same trend as other

stock retaining Authorities and there has only been a slight increase in rent arrears overall compared to the same time last year. We will continue to monitor this and take appropriate measures to mitigate the impact of UC and Covid in 22/23. This will be particularly important following the removal of the twenty-pound uplift introduced during the Pandemic.

Our pre-tenancy service also helps new tenants understand what they need to do to sustain their new tenancies. We support tenants by ensuring that they are financially stable, helping them with applications, setting up direct debits and/or providing furniture or white goods to mitigate the impact on their household income and lowering the risk of them falling into debt at the start of their tenancy. Our aim is to ensure that tenants are 'set up' well from the start of their tenancy.

Theme 2 – Investing in Homes and our Estates

In 2015, we completed the CHS programme of works to all homes where tenants had agreed to the work- well before WG’s target of December 2020. This is in line with our agreed assumptions that the standard of our homes will be of standard and replacement programmes will be based on condition, not time. This year we will review the standard to ensure that it embraces decarbonisation, affordable warmth and meets the diverse needs of our tenants.

Maintaining the condition of our Housing Stock

Tenants tell us that getting repairs done on time and maintaining homes to a good standard is important to them. Maintaining the standard is a statutory duty, and the Council has made a commitment to achieve and maintain the standard of our housing stock. The standard is contained in the Compliance Policy in Appendix E. Critical to this work programme will be undertaking a stock condition survey for all housing assets so that we can plan for the replacement of elements and components when they fail rather than on the time from when they were first installed.

Our on-going consultation has identified six key areas of work:

Work Area	Context	Action
Repairs and Maintenance	Effective and timely maintenance, consistent service, maintaining homes to a high standard and continuing to improve the housing stock	<ul style="list-style-type: none"> • Advising tenants how quickly we can carry out the works when they report minor repairs • Carrying out repairs in the timescales we have agreed or at a time that is more convenient for the tenant • Introducing an appointments system for our urgent responsive repairs service, using mobile technology • Introducing an automatic scheduling of repairs system
Internal Works	For internal components such as kitchens, bathrooms, electrical upgrading and central heating, we replace components when they are in disrepair	<ul style="list-style-type: none"> • Contacting tenants who have previously declined works • Ensuring homes have the appropriate smoke alarms, heat detectors or carbon monoxide detectors, and agree with tenants how we can upgrade these components to protect their safety
Servicing	We assess the condition of our gas, oil, electric and solid fuel appliances and meet our statutory servicing obligations. Protecting the health and well-being of our tenants by ensuring that all homes are fitted with fully compliant electrical	<ul style="list-style-type: none"> • Continuing our annual programme of safety checks on gas fires, and gas or oil boilers, and replacing or upgrading where necessary with energy-efficient appliances • Inspecting smoke, heat and carbon monoxide detectors installed in homes. Installing/upgrading where necessary • Gaining access to ensure that the necessary works are completed • Installing servicing timers when we gain access (where a tenant repeatedly refuses access), to help protect lives

	systems, including hard-wired smoke and carbon monoxide (CO) detectors	
External Works and the Environment	Our homes are in a good condition and we aim to achieve economies of scale by replacing components in disrepair; including the rendering and roofing upgrading/replacement programmes and improving the estate environment around our tenants homes	<ul style="list-style-type: none"> • Continuing to review and update our annual roof and rendering programmes to include external wall insulation (EWI) • Working with a range of partners to identify opportunities to install low carbon technologies to our homes • Continue our programme of replacing structural boundary and retaining walls • Ensuring sheds/ outhouses, gardens, paths and fencing meet our standard
Empty Council Homes (Voids)	Our aim is to let empty Council homes as quickly as possible, striving to meet customers' expectations, reduce rent loss and reduce the pressure on front line homelessness services	<ul style="list-style-type: none"> • Completing individual options appraisals if homes are no longer fit for purpose • Making sure that homes are maintained and repaired to our standards, together with making sure gardens are clear of rubbish • Make empty properties available for letting as quickly as possible • Ensuring every new tenant receives relevant information and certification about their new home
Improving Standards	Tenants have told us they want a standard that continues to evolve	<ul style="list-style-type: none"> • Engaging with tenants on our Decarbonisation Strategy and ensuring they become fully involved on planning the improvements to their homes • Giving tenants a say through single-issue meetings, digital participation and challenge panel • Developing an energy savings programme and ensure we have robust Energy Performance Certificate (EPC) data to inform future work programmes • Providing adaptations for our tenants to meet their needs and maintain their independence • Meet the needs of households on the Accessible Housing Register (AHR) through conversion or where an empty Council property with existing adaptations is matched to a new household • Evaluating the results of the pilot study on the treatment of lichen and algae growth on affected homes and determining a suitable remedy • Investigating the costs of external works such as gutter clearance and external high-level cleaning on homes



The detail of the type of work to be completed in 2022/23 can be found in Appendix D. This includes works (capital & revenue) that weren't completed in 2021/22 because of the pandemic and have been brought forward to 2022/23.

Risk Reduction Measures

Approach to fire management - Following a review of fire risk assessments to our purpose-built blocks of flats and sheltered schemes, we have identified improvements to be made and an action plan has been developed. This provides a record of present risks, defects identified and the remedial action to be taken in a defined period. The risk assessments are monitored by the Housing Stock Investment and Decarbonisation Working Group, as set out in our governance structure. A work programme has been developed to improve the detection systems within these blocks of flats, the means of escape and the compartmentalisation of flats in the event of a fire.

Radon Testing Programme - Following guidance issued by the WG and Public Health Wales, we have started a programme of radon testing in all our homes located in areas where there is a greater probability of high radon levels. Officers from the Council install radon detectors for 3 months to gather data in specific, discreet locations within homes. Remedial action is taken if levels are higher than recommended.

Surge Protection Upgrade - The demand on the electrical systems and consumer units in our homes has increased over time. The introduction of other renewable energy components and electric vehicle charging points in future will place further strain on the systems installed. Surge protection devices (SPD) are being installed which significantly reduce the risk associated with transient over-voltages.

Future Developments and Opportunities

Investing in Sheltered Housing – It is important that the right type of support and facilities are in the right schemes, in areas where older people wish to live and where it is convenient to access

local amenities. As part of our programme, we continue to challenge whether our sheltered schemes will meet the expectations of future residents. We will consider the use of communal facilities and living arrangements and how we manage public health and infection transmission. We will also continue our annual sheltered housing programme of:

- Communal boiler replacement/upgrades making boilers more energy efficient
- Maintaining and servicing lifts
- Transferring lifelines from non-scheme sites to our Telecare service (Delta Wellbeing)
- Introduce broadband and Wi-Fi to all our sheltered schemes so that all tenants are connected

Assisted living solutions for older people – Meeting the housing needs of older people over the next 10-20 years requires a mix of housing models and solutions. This range covers general needs housing, specialist housing (i.e. housing specifically for older people) and care-based provision (residential/ nursing care, hospital-based care). The new Pentre Awel Life Science Village in Llanelli will form a test bed for developing innovative housing and care solutions for older people that promotes health and well-being and independence.

Regeneration plans for Tyisha (Llanelli) - We have developed a transformational plan in partnership with the local community to create vibrancy, cohesion and sustainability for one of our most deprived communities. Our plans will develop the area around the railway station to create a gateway into the town centre, provide improved community facilities, re-model the existing housing stock and deliver new mixed-tenure modern homes in the community for local people and key workers. This investment will provide incentives for further development, making the area more attractive. This will help lay the foundations for stimulating the economy and improving the social and economic profile of the area.

Supported Housing (Learning Disabilities & Mental Health) – Projects are usually commissioned for accommodation and support for individuals or groups of people that have learning difficulties or mental health needs. Through a planned approach and understanding the medium to long term need, we are providing housing that can be used for this purpose and provide an option for transitional care arrangements. By bringing the landlord function 'in house', and commissioning the care separately, we can lower the cost and liability to other services and provide safe, quality and affordable accommodation for our clients. We will redesignate houses within the current stock, purchase additional homes or make homes available on our new build sites for this purpose where a need is identified. We want to offer tenants a choice over where they would like to live and who the support provider is.

Theme 3 – Providing more homes

Increasing the supply of homes in the County has been a key a strategic priority for the Council for a number of years. Our plans are ambitious and exciting. They are driven by meeting housing need and play a vital part in stimulating economic growth in all areas of the County, helping our economy and communities become stronger than ever before.

Meeting Housing Need

Meeting housing need has always been our main reason for providing more homes. Our evidence from demographic research and stakeholder consultation confirms that this approach must continue. The key messages from our recent stakeholder consultation undertaken in July 2020 are summarised below:

Housing need should determine where more homes are provided;

Affordable homes should be provided for families, people with ill-health and disabilities, young people and key workers;

Homes should be provided on mixed tenure basis;

The Council has a clear role in growing the green economy, including improving the energy performance of homes, using building techniques that reduce waste and embodied carbon and generating renewable energy;

91% of respondents said that improving the skills of local people should be a priority for the Council;

Future town centre uses should include more residential space, restaurants, cafes, the entertainment industry, the provision of public services and creating more public open space;

Homes in town centres should be provided for town centre workers, single people, couples, young people under 25, people with disabilities and retired people;

The Council should support rural communities by providing more affordable homes for rent and low cost home ownership, improve transport links, improve digital connectivity and support local businesses; and

62% of respondents agreed that building strong communities, promoting the Welsh language and culture should be a priority for the Council.

Housing need can be met in a variety of different ways, according to the needs of the household, their financial position and the opportunities available. Our plans help address housing need in a variety of different ways including:

- Providing more homes for social rent, including homes for general needs households, specialist supported housing for individuals with complex needs and accommodation for older people;
- Providing a choice of mixed tenure assisted living options for older people, including our offer at the innovative Pentre Awel Life Science Village;
- Providing more homes for low cost home ownership helping, individuals and families own their own home;
- Providing mixed tenure developments consisting of social rented, low-cost home ownership and open market homes, offering a real choice of tenures for local people and key workers depending on their individual circumstances;
- Providing more affordable homes for rent and sale in rural towns and villages, helping local people stay in their communities, helping to protect the Welsh language and culture; and
- Increasing the residential offer in the primary towns of Ammanford, Carmarthen and Llanelli, increasing footfall through housing-based regeneration and helping to make our town centres vibrant once more.

Our Approach

Our plans to increase the supply of homes ensure that we do so the most cost-effective way, maximising all external funding opportunities, working collaboratively with partners to support the development of our communities. We do this by using a range of delivery vehicles that offer flexibility, scale and pace, including:

New Build Developments	This includes the Council developing new build homes, but it also includes collaborative working with our housing association partners to maximise all regeneration and funding opportunities
Private Sector Partnerships	Work with private sector partners to deliver housing solutions at scale and pace that meet the individual needs of an area
Empty Homes	Work with private owners across the County to bring empty homes back into use. We also purchase empty homes through the Land and Building Development Fund, releasing the potential of a disused asset
Buying Private Sector Homes	Increase the number of homes in the Council’s housing stock by purchasing private sector homes for general and specialist housing need e.g., assisted living schemes for learning difficulties, mental health, and older people’s housing
Section 106	Secure homes for low-cost home ownership through the planning system on private sector developments in line with the requirements of the Local Development Plan

Simple Lettings

We work with private landlords to increase the number of homes available for rent through the Council's Simple Lettings Agency by offering a range of different agreements over different terms and timescales.

The additional homes delivered through our plans meet the individual needs of our communities and include houses, bungalows and apartments for rent and sale. Our new build developments follow a clear set of design principles that create new communities that are sustainable, with a real sense of place. They are also energy efficient. Fitted with high levels of fabric insulation and innovative renewable technology, reducing carbon emissions, creating affordable warmth for residents, and following the Council's Net Zero Carbon Principles.

Our Achievements so Far

We published the Affordable Homes Delivery Plan in 2016. This was our first ambitious programme to deliver over 1,000 affordable homes across the County. This plan has now delivered over 1,350 homes exceeding our delivery targets every year as shown in the graph below.



The Journey Ahead

In 2022, we developed our new exciting Housing Regeneration and Development Delivery Plan. This plan is ambitious and sets out our plans to support the delivery of over 2,000 additional homes across the County over the next five years, building on the success of our current affordable housing delivery plans.

This plan will also support economic growth by investing over £300 million into our communities and directly supporting the actions in our Economic Recovery Plan, supporting businesses, people and places.

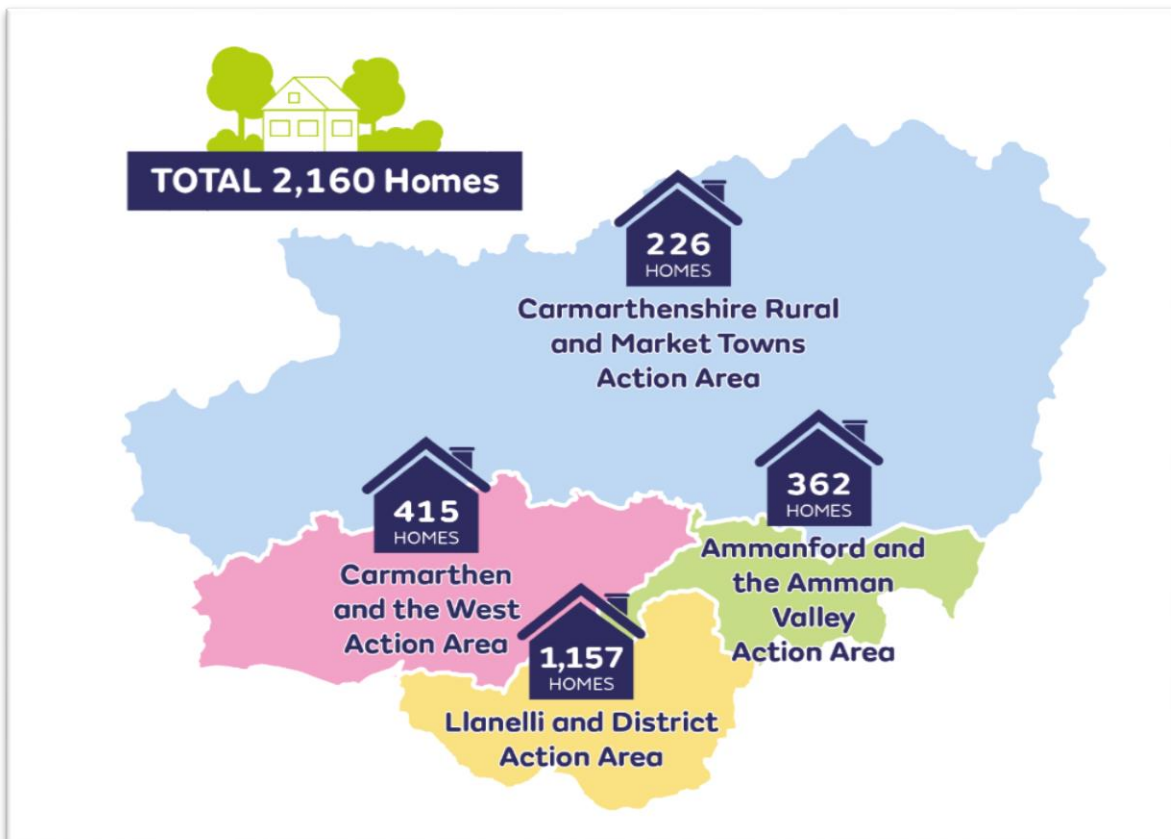
This delivery plan will create opportunities and help transform our County following the devastating effects of the Covid 19 pandemic. It will :

- support the development of strong sustainable communities – places where people want to live and work.
- help grow the local economy and help the County recover from the devastating economic effects of the Covid 19 pandemic;
- understand the needs of our diverse communities, building the right homes in the right places and meeting housing need;
- support some of our most vulnerable tenants through the housing support grant programme;
- create jobs for local people;
- provide affordable homes for young and working aged people to help them remain in the County and benefit from the additional jobs created;
- help maintain our culture and identity especially in rural towns and villages, where we must help ensure that local people are able to afford quality affordable homes and remain in their communities;
- help to maintain and develop our town centres by increasing the residential offer, increasing footfall and helping businesses thrive;
- support the growth of the green economy, the local construction industry and our supply chains; and
- be flexible to ensure that we can respond to changing market conditions, risks and opportunities as they arise.

The current draft programme is shown on page 21. This programme is, however, flexible and will change as new opportunities arise. The programme will be affected by changing market conditions and risks that will affect the viability of some developments. This may result in some developments not proceeding and being replaced by other developments.

This programme is inclusive of the homes the Council will deliver, the homes we will deliver collaboratively with our housing association (HA) partners, and the homes the Council will deliver in partnership with private developers.

Current Draft Housing Regeneration and Development - Five Year Delivery Plan by Action Area (2022 – 2027)



**** This programme is flexible and subject to change due to changing market conditions, risks and opportunities that may arise over the next five years ****

Theme 4- Decarbonising our Housing Stock & Services

Decarbonisation within our Council is a cross cutting theme. This year we will launch our Housing Decarbonisation and Affordable Warmth Strategy in response to the Council declaring a climate emergency, and our ambitious target to become a net zero carbon authority by 2030. The work programmes that follow will help grow the green economy and stimulating economic recovery and growth following the pandemic.

The work we have done previously through the CHS goes some way to improving the fabric and the thermal performance of our homes. However, there is more that can be done which will reduce carbon emissions and make our homes more affordable for our tenants to heat.

Our aim is to make all of our homes energy efficient and reduce our carbon emissions. We will achieve this by bringing all of our Council homes up to a Band A Energy Performance Rating as quickly as possible. It is likely that the new WHQS, due to be released in early 2023, will require all social housing landlords to meet a minimum energy performance level of SAP 92 (EPC Rating A) for their stock.

Our Strategy will outline how this can be done, the challenges ahead and the other wider benefits for our communities, including:

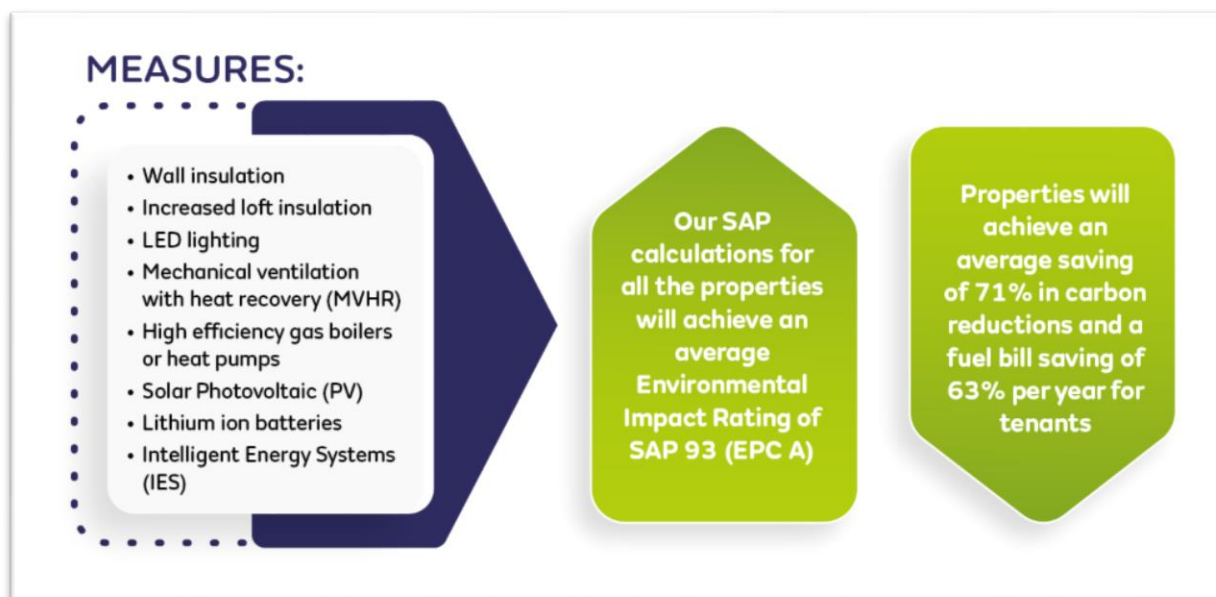
Existing Homes	We have profiled our existing stock, in terms of component characteristics and performance. This provides our baseline of data to build on. We must now focus on stock condition so that we can align our repairs and maintenance programmes with our decarbonisation and affordable warmth programmes. Our average SAP Rating is currently 66 (EPC Rating D). Most of our homes have gas central heating systems with just under quarter of our stock having oil central heating systems. Our aim is to move away from fossil fuels, say 'good by' to gas and replace them with low carbon heating and renewable energy solutions.
Our Approach	Our approach is based on strong principles and basic design standards to transform our housing stock. We will aim to bring our housing stock up to a minimum SAP rating of 92 (EPC Rating A) or get them carbon ready for when the national grid is improved. We will do this by being innovative and flexible, maximising all external funding opportunities and piloting different solutions. Doing the work at the right time, is crucial. We must align this work with our cyclical maintenance programmes and the works required to let empty council homes.
Council New Build Homes	Our ambitious plans to support the delivery of over 2000 homes in the next 5 years will include developing innovative energy efficient homes with low levels of carbon emissions. Our new build Council homes are highly efficient and already achieve SAP ratings of between 92 and 105. Through our future plans we will encourage our partners to build to similar energy efficient standards, using modern methods of construction (MMC), innovative technology and the use of natural and local products.

Supporting our Tenants	Tenant and community engagement will underpin our strategy and the delivery of the work programmes that follow. Our priority is to ensure that the promoting affordable warmth is one of the key drivers of decarbonising our homes. Our existing housing stock will need to achieve a similar standard to our new build homes. This will ensure that existing and new tenants all benefit from well heated, comfortable homes with low energy bills. We will provide support and guidance to our tenants to ensure that they are able to maximise the benefits from their energy efficient homes which will also help improve their health and well-being.
Housing Management	During the Pandemic, we've witnessed how our workforce can adapt to a new way of working and continue to deliver a service in an effective way. We will continue to look at our day-to-day activities, that are necessary to manage our stock and tenancies so that we continue to reduce our carbon emissions.
Collaboration & Research	Collaboration and research on a local, regional and with WG on a national level is essential to drive innovation and creativity. This will ensure that our homes and building practices continue to evolve. We will continue work with academic institutions to enhance our thinking on retrofit and new build standards, the workforce required to do this and how we can try to anticipate future changes to the energy network. Our work to date with the Welsh School of Architecture at Cardiff University and the Active Building Centre in Swansea University on new build homes and retrofit has helped us lead the housing decarbonisation agenda in social housing in Wales.
Embodied Carbon & Waste	Our aim is to adopt a more circular approach by purchasing and reusing buildings, use local products and workforce, minimise waste and recycle materials where possible. Our commitment goes beyond just making our homes efficient. We want the companies we employ to do the same, lower their carbon footprint and share our values.
Supporting the Green Economy	Our ambitious development programme for new build homes over the next 5years, investing in renewable technology and upgrading the thermal efficiency of our existing homes will create local jobs and support local business to maintain or expand their workforce. This strategy can offer more than just creating or safeguarding jobs in the County. By improving the thermal efficiency of our homes and making them more affordable to heat, our tenants will have more disposable income to spend locally contributing to the prosperity of our communities and directly supporting the actions in the Councils Economic Recovery Plan.

Progress so far

We have not allowed the pandemic to slow our progress on understanding how we can improve the energy performance of our homes and what retrofit measures are necessary. Whilst we haven't been able to work on occupied houses, we have been able to carry out a detailed programme of works on a sample of empty Council houses that represents the most predominant architype within our housing stock - semi-detached houses, built between 1945- 1964. This is particularly important because the work that has been done on these properties, with minor variations, could be scaled up as we develop our future work programmes. Whilst the properties have all been built the same, they do differ and were selected because some were off gas, some had existing renewable technologies and some had been extended.

A summary of what we did and achieved:



To improve our learning and expand on the work that we have done with WG on the Optimised Retrofit Programme, we will progress the following pilots:

<p>Y Bwthyn</p>	<p>We propose to develop a retrofit model for 6 blocks of flats at Y Bwythyn. WG have had difficulty in finding a solution for this type of building that also has different tenure types. This aligned with our cyclical maintenance programme provides an answer that could be replicated across our own stock and for other social landlords. The scheme provides an opportunity to go over and above the general planned works intended for the buildings to make it fit for our tenants to live in and integrates an optimised retrofit programme that can be done at the same time to minimise waste and embedded carbon. It will also provide learning on how we engage with tenants and more particularly leasehold owners. We will look to see how we can include high insulation levels, low carbon heating and renewable energy technologies that will significantly lower the environmental impact from carbon emissions. It also provides an opportunity to extend the programme into other buildings and land within the area surrounding Y Bwythyn.</p>
<p>Coleshill Terrace</p>	<p>2-4 Coleshill Terrace is an exciting project that offers a range of benefits. It is a conversion of existing buildings to 8 supported units of accommodation for people with learning disabilities and mental health in Llanelli Town Centre. The scheme is currently under development and offers an optimised retrofit solution to flats and shared accommodation for clients with low to moderate needs. The retrofit measures will reduce carbon emissions, provide affordable warmth and allow the residents to live independently.</p>
<p>Replacement of non-compliant boilers with Hybrid Heat Pumps</p>	<p>This is pilot scheme for the replacement of E grade boilers that have/will be falling out of compliance within the next 12-18 months due to age or component failure. The scheme offers a solution to replace these boilers with low carbon heating systems and IES monitoring systems which optimises our approach to decarbonising homes without undertaking a deep retrofit at this stage. Other decarbonisation works (fabric insulation & renewables) will be considered at a later in line with our cyclical maintenance programmes.</p>

Theme 5 – Local Economy, Community Benefits and Procurement

We recognise the importance of this Plan and its role across the wider capital investment programme to stimulate, support and develop the local economy. To support the Economic Recovery Plan, we will be looking to further develop the Council's approach to procurement to maximise our contribution to local economic growth, focusing on social value and building sustainable communities. Our aim is to grow different economy sectors within the housing and building industry so that they and other local business benefit and thrive. It is therefore important that our investment plans:

- contribute to long term economic growth across the County
- are sustainable in future years as we continue to invest and maintain our homes
- enable local businesses, construction and manufacturing industries to develop, grow and lay down strong roots
- keep the pound local, benefiting our economy and contributing directly to the prosperity of our County and its residents
- create new jobs and training opportunities for local people

As we move forward with our recovery plans, the stock investment and the Council new build programmes will provide sustained periods of trade and benefit local contractors and builders. This will create more jobs, training opportunities and other community benefits. The Housing Regeneration and Development Delivery Plan has a direct focus on providing more homes in town centres and rural areas, having a direct impact on business and commerce in these areas.

The decarbonisation of our homes will also become a fundamental part of our future stock investment programmes. Rolling this out across our entire housing stock will result in increased job opportunities and further training opportunities as we explore new ways of providing low carbon, energy efficient homes for our tenants. A significant proportion of the Councils housing stock is in rural market towns and in rural areas. Encouraging small to medium enterprises (SMEs) to participate in those areas will help with local employment and allow young people to stay in the community where they want to live.

Our procurement strategy aims to develop our programmes using local contractors and suppliers to stimulate the local economy. Where this is not possible initially, because of limitations on the supply and availability of local skills (e.g. homes built using Modern Methods of Construction (MMC)), we will learn from these projects and put measures in place (close the gaps) to ensure that the skills and work force needed is available locally. We will also influence this through the Regional Skills and Partnerships workstream and through expanding our own direct employment of staff to deliver work programmes alongside the private sector, including appointment of apprentices and supporting local shared apprentice programmes.

In 2021/22 the HRA investment programme delivered the following community benefits:



During construction, contractors will contribute to the wider local economy by increasing footfall into the town centre and spending money in rural market towns/villages by accessing local amenities such as shops, supermarkets, restaurants and cafés. This increased footfall in town centres will help compensate for the reduced use of the town centre commerce during the pandemic as local offices remain empty as we look to 'better ways of working'.

It is however, extremely important that all contracts demonstrate good value for money and through the Regional Contractors and the Minor Works Framework we will challenge their costs, the principles and methods of construction to make sure that we achieve this. We will also look to keep the workforce as local as possible and benefit the local economy by including 'environmental benefits' in a tender or contract and insisting that contractors demonstrate how they will reduce their carbon emissions.



Funding and Risk Management

Major Repairs Allowance

Every year we receive over £6 million from WG to support our capital investment. The grant comes with clear guidance on what it can and cannot be used for. The main condition is that it must be spent on property within the HRA. It cannot be used for revenue repairs or maintenance, demolition costs, repayment of borrowing etc. A full breakdown can be found in our MRA acceptance letter issued by Welsh Government.

The MRA makes a significant contribution towards achieving and maintaining our housing stock. A reduction in MRA levels would be detrimental to future investment plans.

Planning Assumptions

To help us plan our investments, we must make certain assumptions. Changes to our assumptions may mean re-visiting the objectives included in this plan.

INCOME		
Major Repairs Allowance (MRA) <i>i.e. the amount of capital funding we get from the Welsh Government</i>	£6.2m each year. This is on the basis that we receive an average of £682 per home.	
Rent increase 2022/23	<p>Welsh Government have set the maximum rent increase for 22/23 at 3.1% because the Consumer Price Index sat outside the 3% threshold which gives social landlords the discretion to set their own maximum rent no greater than CPI plus 1%.</p> <p>We have limited the rental increase to 2.9% overall with a maximum £1 progression for those tenancies below target rent. Most tenants will receive a 2.7% average rent increase which is significantly below level set by WG and current inflation values.</p>	
Future rent increase levels <i>Based on Welsh Government Policy</i>	3% from 2023/24 for 2 financial years. Then reduced to 2% pending revised rent policy from WG.	
Borrowing and direct revenue financing (DRF)	Borrowing £48.7m and utilising £30m DRF over next 3 years to maintain our housing stock and develop new homes.	
Expenditure/income inflation	Employees' pay at 4% for 2022/23 as per the council fund, general inflation at 4%	
Right to Buy receipts i.e. Money we get from tenants' buying their home	No receipts from 1 st April 2015 following suspension of Right to Buy	
Balances on the revenue account <i>i.e. the amount of money we need to keep in reserve</i>	Minimum of £4.5m (based on £150 per property)	
SPENDING		
Assumed Borrowing costs <i>i.e. the amount it costs to borrow money</i>	Cost of existing and new debt: 2022/23: 3.93% And future years	Cost of exiting HRAS: Average of 4.15%
Provision for Bad debt i.e. debt that we will be unable to recover	2022/23: £594K 2023/24: £606K 2023/24: £619K	

CAPITAL PROGRAMME	Budget 2022/23 (£000s)	Budget 2023/24 (£000s)	Budget 2024/25 (£000s)
Maintaining the Standard:			
All Internal Works	3,307	2,527	2,617
All External Works	3,000	2,000	2,000
Voids and Major Works to homes	7,200	6,500	5,500
Structural works - Estates and boundary walls (inc. identified structural works)	1,300	2,000	1,000
Decants	150	150	150
Support Tenant and Residents:			
Sheltered Scheme Investment	900	500	500
Assisted Living Projects	704	350	350
Adaptations	2,000	2,000	2,000
Environmental Works & Garages	450	400	400
Providing more homes:			
Housing Development Programme	17,323	20,977	18,150
Decarbonisation:			
Works to Deliver Decarbonisation	2,931	2,515	1,973
Support the delivery of CHS+:			
Programme Management	669	682	696
Stock Condition Information	387	387	387
Risk Reduction Measures	2,370	864	285
Sewerage Treatment Works	20	20	20
TOTAL	42,711	41,872	36,028
SOURCE OF CAPITAL FUNDING	Budget 2022/23 (£000s)	Budget 2023/24 (£000s)	Budget 2024/25 (£000s)
Welsh Government Grant - MRA	6,225	6,225	6,225
External Grant Funding – IHP, SHG, ICF & Other Grants	9,134	7,608	6,500
Direct Revenue Financing	10,000	10,000	10,000
External Borrowing	17,352	18,039	13,303
TOTAL	42,711	41,872	36,028

REVENUE PROGRAMME	Budget 2021/22 (£000s)	Budget 2022/23 (£000s)	Budget 2023/24 (£000s)
Repair and Maintenance of Homes	12,318	12,918	13,500
Supervision and Management	10,125	10,362	10,607
Support Services e.g. Legal and Finance	1,776	1,813	1,851

Provision for Bad debts	594	606	619
Direct Revenue Financing	10,000	10,000	10,000
Capital Charges	14,884	15,694	16,423
TOTAL	49,697	51,393	53,000
SOURCE OF REVENUE FUNDING	Budget 2022/23 (£000s)	Budget 2023/24 (£000s)	Budget 2024/25 (£000s)
Tenant Rents	43,450	45,665	48,036
Service Charges	816	841	867
Interest Received	6	5	4
Housing Finance Grant 2	246	246	246
Water Rates Commission	348	359	370
Grants / Other	1,433	1,520	1,588
TOTAL	46,229	46,636	51,111
Difference between 'Revenue Funding' and 'Revenue Spending' *	-3,398	-2,757	-1,889

HRA END OF YEAR POSITION:	Budget 2022/23 (£000s)	Budget 2023/24 (£000s)	Budget 2024/25 (£000s)
Balance brought forward from last year	14,324	10,926	8,113
HRA budgeted difference *	-3,398	-2,757	-1,889
BALANCE CARRIED FOWARD	10,926	8,169	6,280

*N.B. + is a surplus in revenue funding over spending and – is a deficit/ shortfall in revenue funding over spending

Risk Management

Each year, as part of the HRA business planning process, we identify, assess and prioritise potential risks and consider the likelihood and impact of each. This exercise is carried out by each service delivery area. Once this has been done, we identify ways in which we can reduce or manage the potential risk and impact. These are recorded corporately and monitored regularly.

The greatest risks identified in delivering this plan are:

- Maintaining up to date asset information about our stock;
- Uncertainty of the impact of market conditions about inflation, pricing and availability of workforce (Covid 19 and Brexit), to inform the 30-year cost certainty exercise
- The impact of balancing investment in maintaining the existing standard, introducing new measures to support decarbonisation and continuing to deliver our ambitious housing regeneration and development programme.

All risks are monitored by the Housing and Regeneration Strategic Team.

Compliance, Verification and Monitoring

Compliance and Acceptable Fails

Recording compliance and acceptable fails is not a simple collection of condition information for things like kitchens, bathrooms, electrics and so on. It is a combination of occupancy and property condition information. Surveying of homes, collating of information, how we manage our data, and the ability to report 100% accurate information, are all data-hungry activities.

An acceptable failure occurs when an individual component e.g. a kitchen or bathroom, has not been completed for one or more of the following reasons:

- Cost of remedy
- Timing of remedy
- Resident's choice
- Physical constraint

The details of our acceptable fails and compliance are set out in Appendix D, and our full Husing Standards compliance document is set out in Appendix E.

Energy Efficiency

We have had several different programmes running to improve the energy efficiency of homes. These programmes have helped save tenants money on their heating costs and improve the energy performance ratings of their homes. The average SAP level across our stock is 66 out of 100 which meets the current requirements of the WHQS. The new WHQS is likely to require our housing stock to reach a SAP level of 92 (EPC rating A).

Independent Verification

We believe that we report compliance accurately in achieving and maintaining our Housing Stock, and we will continue to do so. We will also back this up with further verification by:

- Demonstrating compliance by ensuring there is a clear separation of duties between CCC staff reporting compliance and those staff responsible for improving stock condition
- Using internal staff in conjunction with external support, where necessary to undertake desktop reviews
- Commencing a sample programme of stock condition visits every year
- Asking tenants how they would like to be part of the process of verification
- Continuing to use a range of methods to assess compliance. Some data is already independently collected, e.g. boiler inspections, EPCs and electrical tests

- Providing Home Information packs for all new tenants, informing them of boiler inspections, asbestos advice, Energy Performance Certificates, electrical tests and when any outstanding CHS+ work will be carried out.

Mae'r dudalen hon yn wag yn fwriadol

Housing Revenue Account Business Plan 2022-23

Carmarthenshire Housing Investment Programme

Appendices A-D



Cyngor **Sir Gâr**
Carmarthenshire
County Council



Tudalen 181

Contents

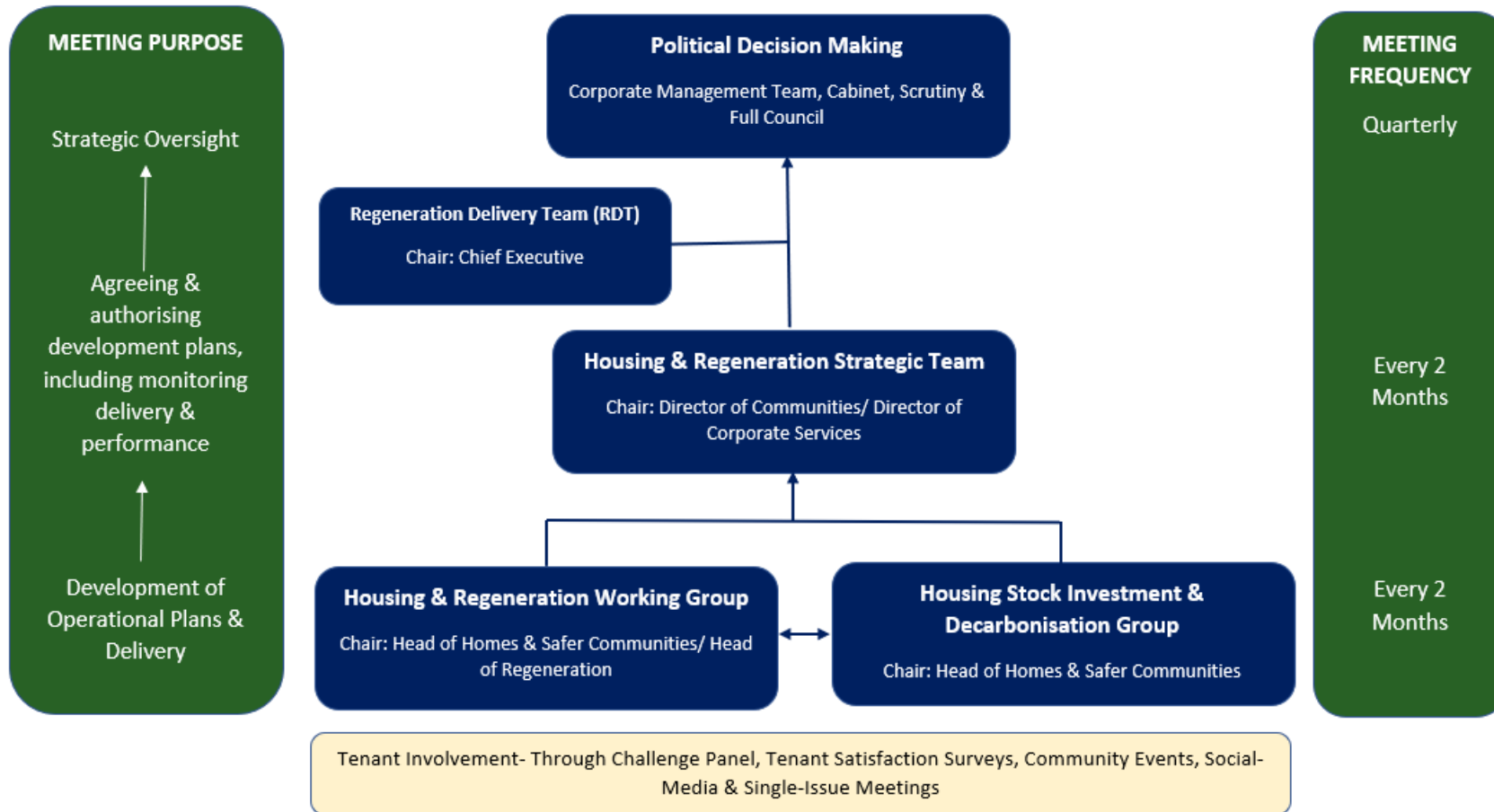
Appendix A: Well-being Priorities & Governance Structure.....	2
Appendix B: Stock, Tenant and Housing Choice Register Profile.....	7
Appendix C: How Happy Tenants are with the Services we Provide.....	10
Appendix D: Acceptable Fails.....	12

Appendix A: Well-being Priorities & Governance Structure

<p>A more prosperous Wales</p>	<p>We will focus on:</p> <ul style="list-style-type: none"> • Ensuring long-term economic and social benefits for Carmarthenshire through the Swansea Bay City Region and future European and external funding avenues. <p>We are committed to:</p> <ul style="list-style-type: none"> • Contributing to the social, economic and environmental well-being of the wider community
<p>1</p>	
<p>A resilient Wales</p>	<ul style="list-style-type: none"> • Asking tenderers to deliver community benefits in our tendering activities through the delivery of the contracts or frameworks awarded
<p>2</p>	<ul style="list-style-type: none"> • Maximising the value for every pound we spend, applying a community benefits approach to any tender valued over £1million; and • Capturing and recording community benefits utilising WG’s community benefits measurement tool.
<p>A healthier Wales</p>	<p>We will focus on:</p> <ul style="list-style-type: none"> • Increasing the availability of rented and affordable homes to support the needs of local people by building new homes, bringing empty homes back into use and ensuring an allocation of affordable homes on new developments • Mitigating the local impacts of welfare reform by supporting affected residents through the changes • Providing homes better suited to tenants needs by investing in adapting homes and understanding the future investment needs for our sheltered housing stock.
<p>3</p>	
<p>A more equal Wales</p>	<p>We will focus on:</p> <ul style="list-style-type: none"> • Reducing anti-social behaviour by working in partnership with other agencies and communities to tackle local problems.
<p>4</p>	<ul style="list-style-type: none"> • We want to get better by engaging as widely as possible and maximising opportunities to help build stronger communities.
<p>A Wales of cohesive communities</p>	<p>We believe we should:</p> <ul style="list-style-type: none"> • Give our tenants the opportunity to influence decisions about their homes, the area they live and ensure the services they receive achieve value for money. Our vision is: -
<p>5</p>	<p><i>“To make it easy and inviting for tenants to get involved in shaping strategic decisions and improve services through meaningful involvement by ensuring residents have the relevant skills”.</i></p>
<p>A Wales of vibrant culture and thriving Welsh language</p>	<p>We will focus on what our tenants are telling us:</p> <ul style="list-style-type: none"> • We recently undertook a tenant satisfaction survey. In total, 1,938 tenants took part in the survey. This represented a 26% response rate overall. 47 surveys were completed in Welsh (2%). • We will carry out an in-depth analyse of results to get a better understanding of the differences in satisfaction rates by age, by ward and property type; and revamp our approach to the way we listen and act on tenant’s views.
<p>A globally responsible Wales</p>	<p>We will ensure that:</p> <ul style="list-style-type: none"> • Our new build activities and retrofits of renewable energy technology to our tenants’ homes are cost effective and meet our ambitions and obligations related to climate emergency (in particular its commitment to becoming a net zero carbon local authority by 2030) • We meet our ambitions to save tenants money on their energy costs, support the vulnerable and stimulate a sustainable local economy.
<p>7</p>	

Governance Structure

All actions in this Plan will be monitored on a bi-monthly basis by the Housing and Regeneration Strategic Team. This group provides strategic direction and corporate leadership to ensure appropriate progression on the initiatives included.

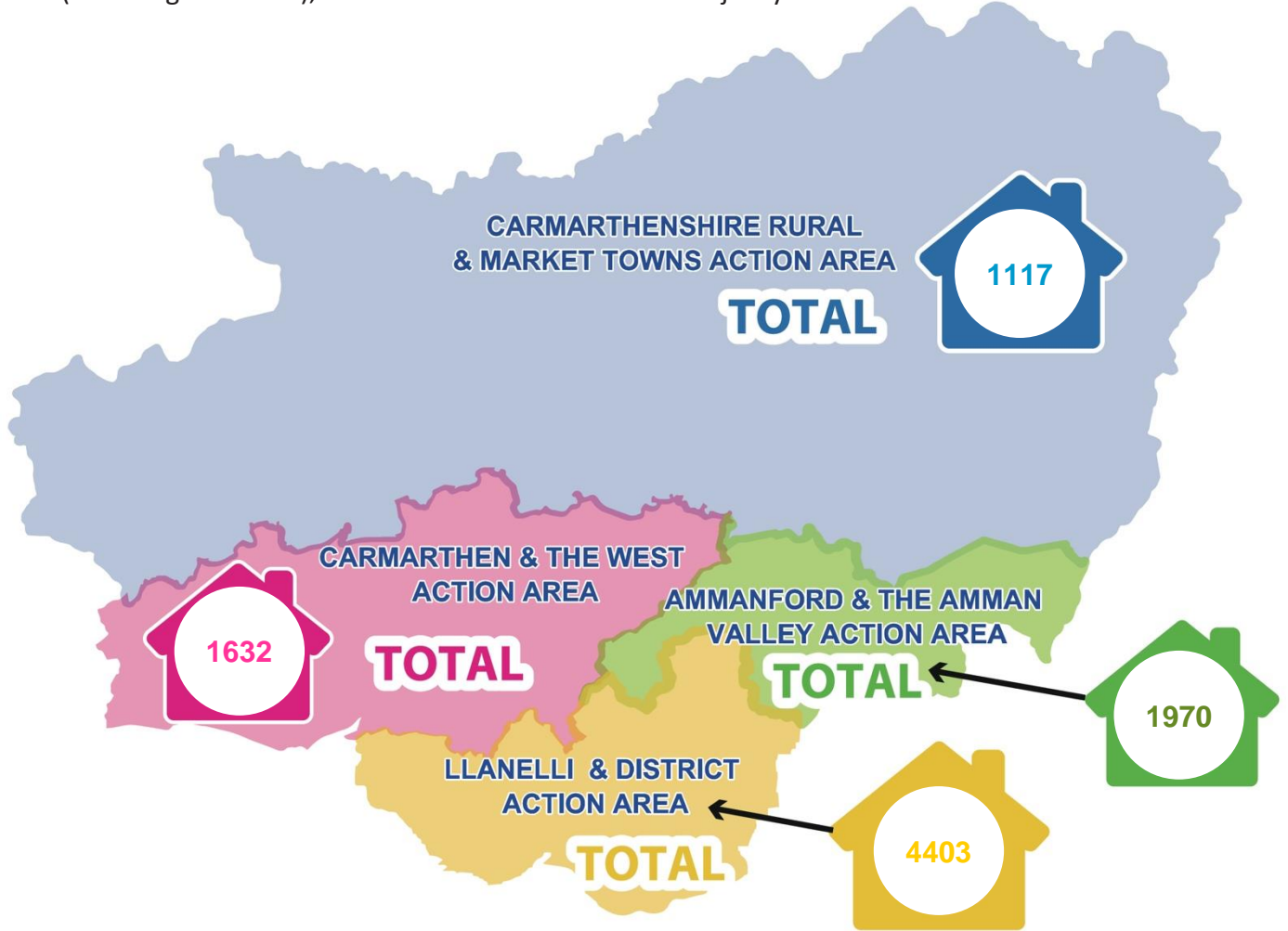


Appendix B: Stock, Tenant and Housing Choice Register Profile

Stock Make Up

Carmarthenshire County Council’s HRA stock (as set out below) comprises 9,122 homes, including 519 sheltered homes, and an additional 211 leasehold homes.

The housing stock comprises 5,029 houses and 2,156 bungalows, with the remainder made up of 1,937 flats (including sheltered), bedsits and maisonettes. The majority of the stock is 2- and 3-bedroom homes.

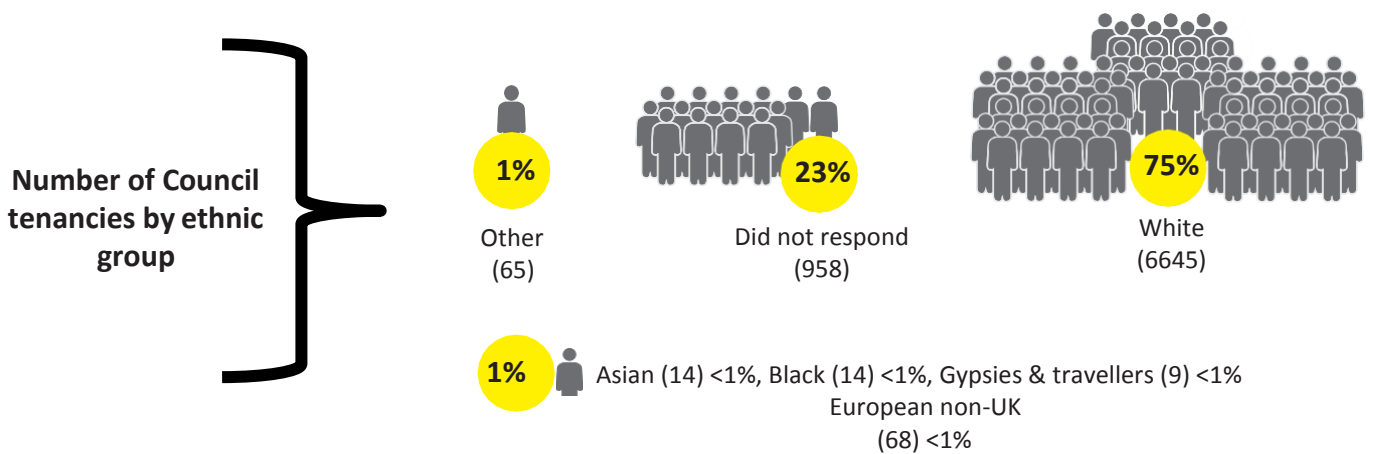
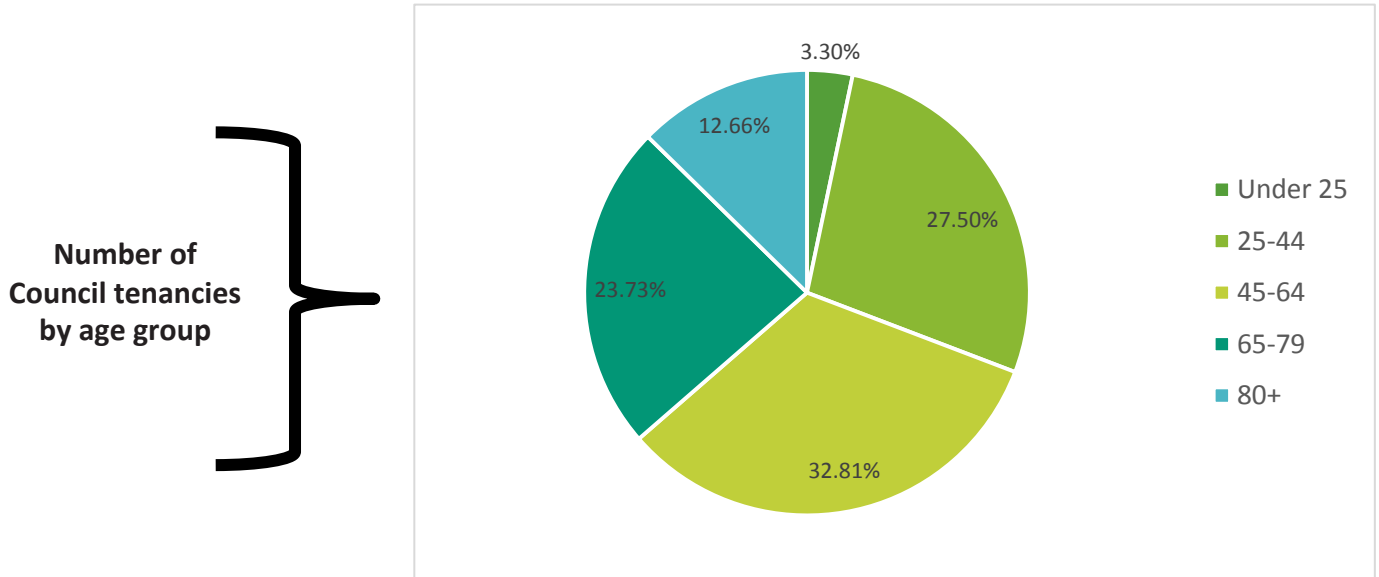


Property Type	Carmarthenshire Rural & MKT Town	Carmarthen & The West	Ammanford & the Amman Valley	Llanelli & District
Bedsit	0	5	0	3
Bungalow	536	497	502	621
Flats (Inc Sheltered)	185	329	511	885
House	396	782	957	2894
Maisonette	0	19	0	0

Tenant Profile

We know that 13% of our lead tenants are aged 80 or over and a further 24% are aged 65 to 79. As a result, 37% of our lead tenants are 65 or above. Only 3% of our lead tenants are under 25, the remaining 60% are aged 25 to 65.

We know that 75% of our lead tenants are white British. A further 23% did not provide information about their ethnic group.

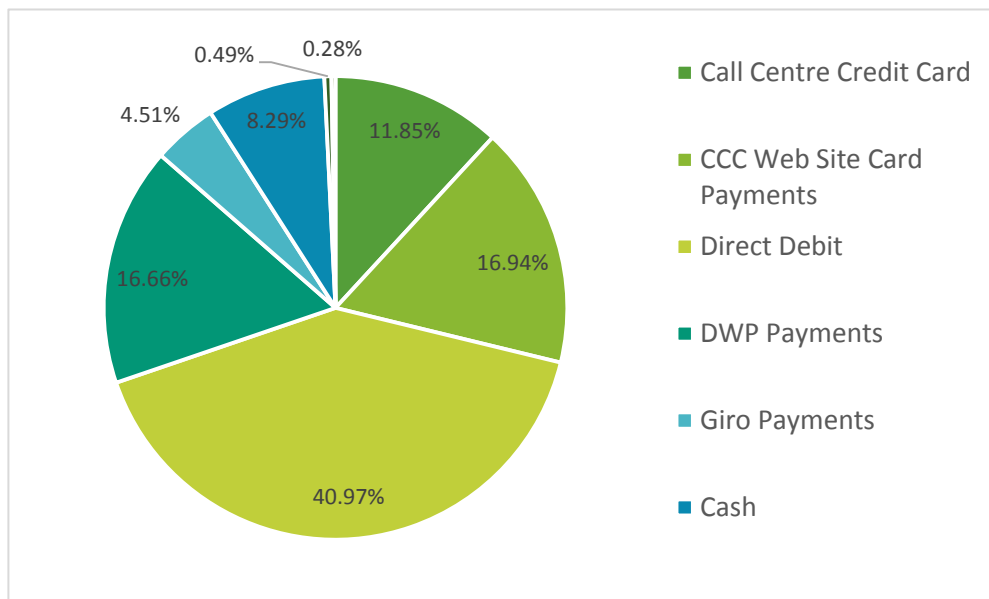


Universal Credit Tenant Payment Profile

For tenants currently claiming Universal Credit, we know that 41% are paying their rent by direct debit. A further 17% are receiving Universal Credit Payments direct to CCC.

Tenant Payment methods

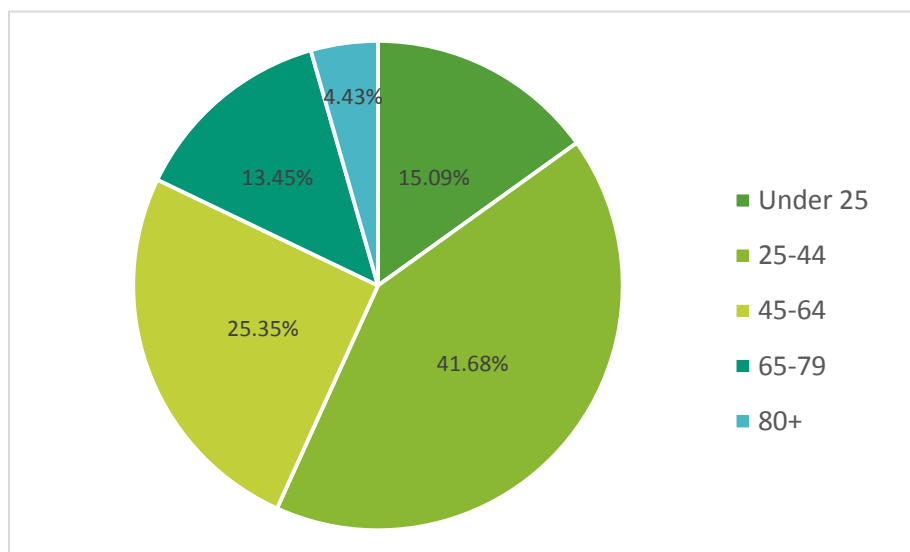
Payment methods by type



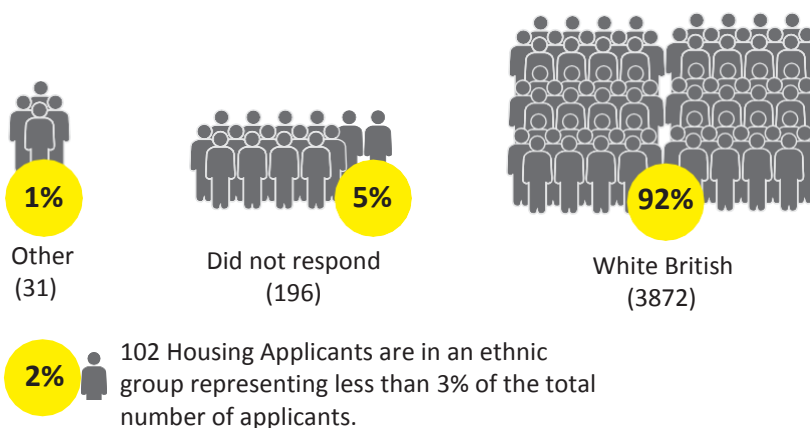
Housing Choice Applicants

We know that 42% of our lead applicants are aged 25 to 44 with a further 15% aged under 25. 4% are aged 80+ and the remaining 39% are aged 45 to 79. We know that 88% of applicants are white British and a further 1% of our lead applicants did not provide information about their ethnic group.

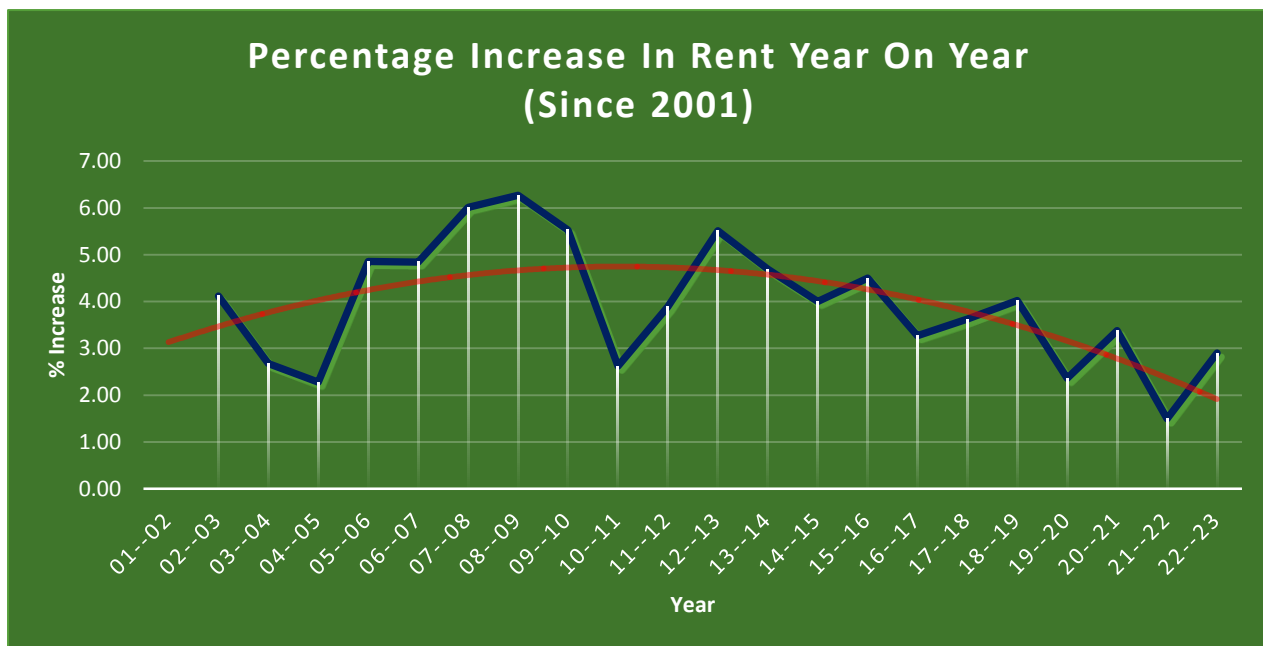
Housing Choice Register applicants by age



Housing Choice Register applicants by ethnic group, November 2019



Rent Increase Profile (Since 2001)



Appendix C: How Happy Tenants are with the Services we Provide

Following the Pandemic we have continued to engage with tenants and other stakeholders in a number of ways. We have recently received feedback from a STAR Resident Satisfaction Survey that provided us with an overall summary for how satisfied tenants are with the overall services we provide as a Council.

The results are provided below:



Neighbourhood Services

82%

Satisfied with neighbourhood as a place to live

57%

Satisfied with the way the Council deals with ASB

69%

Satisfied with Grounds Maintenance

Moving In

81%

Satisfied with the condition of the home upon moving in

84%

Satisfied with the overall moving in experience

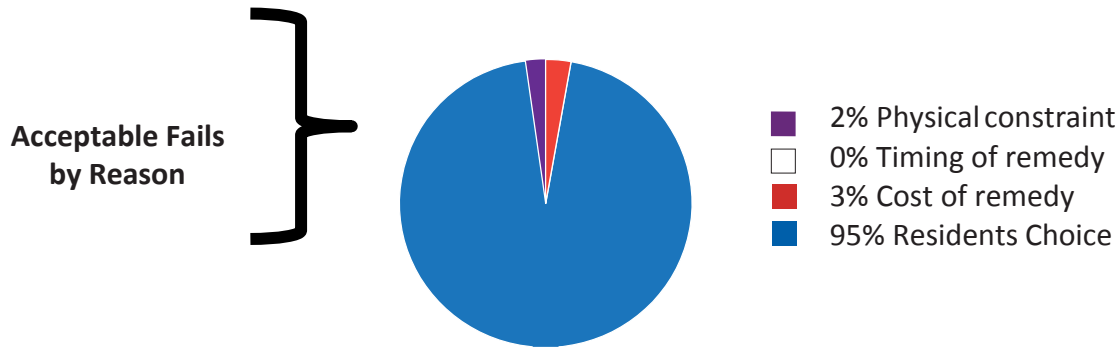
Satisfaction with our neighbourhoods as a place to live had fallen slightly, but is still in keeping with the median for other social landlords. This could be attributed to the Pandemic and residents being confined to their homes during the first lockdown period. Once again, older tenants were generally more satisfied that the younger population and similarly people living in sheltered schemes and bungalows were more satisfied with their surroundings. The predominant reason for this is that older residents are less transient and are likely to have lived in those communities for a considerable time. As expected geography played an important part in tenants perception with rural ward fairing well and other wards like Tyisha had lower satisfaction for their surroundings. Satisfaction with how we deal with ASB is somewhat unchanged from that in 2019. Age continues to be a factor and despite older tenants being more likely to report ASB, they were more satisfied with the resolution and correlates again to the area they live in. There are hotspots of dissatisfaction in some Llanelli Wards which will require further analysis.

Of particular interest to us this year was the experience of new tenants who had needed to move home within the last 18 months since the start of the pandemic. This group comprised a sizeable 19% of the total survey sample, a third of whom were aged under 35, and half under 50. The overall experience was rated positively by the vast majority of this group. However, we must remember that some of the services that we provided over the past 18 months, such as fitted flooring, white goods etc. over and above pre pandemic may have influenced this. Some new tenants were dissatisfied with the condition of the home when they first moved in particularly for pre war built properties and in certain areas where the experience and condition of their new home was significantly worse than average with some degree of confidence..

Appendix D: Acceptable Fails

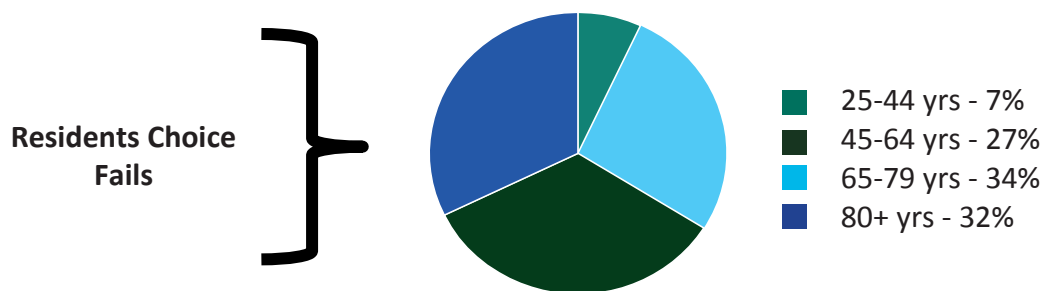
The Welsh Government Outlines ‘acceptable fails’ as a home which meets the standard but has not had all works carried out to make it full compliant. There are different reasons for why these acceptable fails would occur.

Some tenants have chosen not to have the work done (Residents’ choice) because they were happy with their homes, have made their own improvements or some, particularly older tenants, do not want the disruption. This is, by far, the main reason why homes do not currently meet the standard.



We know that 95% of our acceptable fails are as a result of residents’ choice. The remaining 5% being the cost of the remedy or physical constraints.

We also know that 32% of the residents who chose not to have the CHS+ works completed are aged 80 or over and a further 34% are between the age of 65 and 79.



Welsh Housing Quality Standard (WHQS) Compliance

The following tables set out our achievement of meeting the WHQS in 2015 by components, together with the annual programme to maintain compliance of the WHQS.

WHQS Compliance by Component



THIS PAGE IS LEFT
INTENTIONALLY
BLANK

Mae'r dudalen hon yn wag yn fwriadol

Housing Revenue Account Business Plan 2022-23

Carmarthenshire Housing Investment Programme

Appendix E – Compliance Policy



Contents

1. The Purpose.....	2
2. The Context.....	2
3. Policy Statement.....	2
4. Tenants Views.....	3
5. CHS+ Progress & Reporting.....	4
6. Data Collection, Storage and Updating.....	5
7. Current Compliance Position.....	5
8. Interpretation and Recording of 'Acceptable Fails'.....	6
9. Risk Reduction Compliance.....	6
10. Independent Verification.....	7
11. Annual Financial Statement.....	7
12. Recording Community Benefits.....	7

1. The purpose....

- 1.1. The purpose of this document is to confirm our approach to achieving and maintaining (and further improving) the Carmarthenshire's housing stock. It takes account of the guidance produced by the Welsh Government in 2015 in terms of compliance and verification.

2. The context....

- 2.1. Carmarthenshire has been committed to providing homes for council tenants that are modern, safe, fuel efficient, situated in well maintained neighbourhoods and are well managed.
- 2.2. In 2006, the Council started its ambitious programme to achieve the Welsh Housing Quality Standard (WHQS) by the end of 2015. We are pleased to say that we have delivered this programme, on time, to homes where tenants have agreed to have the work carried out. Even though these programmes have been delivered, this does not mean the end to us investing in our housing stock. There remains much more to do.
- 2.5 We have acknowledged the importance of strategic asset management in providing the foundation for our investment plans, as well as the central role of supporting tenants and residents in everything we do, is critical to the delivery of the plan. The 2022/25 business plan covers five key themes that have been identified in terms of future investment. These are:

THEME 1 - Supporting tenants and residents

THEME 2 - Investing in our Homes' and the Environment

THEME 3 - Providing more homes

THEME 4 – Decarbonisation of our Housing Stock and Services

THEME 5 - Foundational Economy, Community Benefits and Procurement

3. Policy Statement....

- 3.1. In 2015 we achieved the CHS+ to homes where tenants have agreed to have work completed - well before WG's target of December 2020. This is in line with our agreed assumptions that the standard of our homes will be to the Welsh Housing Quality Standard (WHQS); and replacement programmes will be based on condition, not time.
- 3.2. Tenants tell us that getting repairs done on time and maintaining homes to a good standard is important to them. Maintaining the standard is a statutory duty, and the Council has made a commitment to this by ensuring that all homes will be:
 - in a good state of repair

- free from damp
- free from significant condensation
- structurally stable
- in safe and attractive environments
- suitable for the household

4. *Tenants Views...*

- 4.1. The commitment and support of our tenants' and Members' continues to be important to us to ensure that we maintain and improve the standards in the future
- 4.2. Tenant and community engagement have always underpinned the delivery of the housing investment programme, but we want to do more. We want to get better by engaging as widely as possible and maximising opportunities to help build stronger communities.
- 4.3. We also believe we should give our tenants the opportunity to influence decisions about their homes, the area they live and ensure the services they receive achieve value for money. A recent tenant satisfaction survey showed the following:

Tenant Satisfaction across the housing sector in Wales¹					
1,938 tenants took part in the survey- 26% response rate overall. A quarter of the total number of responses was collected online (660), and 47 surveys were completed in Welsh (2%)					
	Housing Assoc.	Voluntary Transfer	Retained Councils	Benchmark	CCC
service	Not yet available	Not yet available	Not yet available	77%	77%
repairs and maintenance	Not yet available	Not yet available	Not yet available	71%	66%
listening and acting on tenants' views	Not yet available	Not yet available	Not yet available	60%	63%

- 4.4. We will evaluate our approach to the way we listen and act on tenant's views and try to understand the reasons for differences in the satisfaction rates. This process will be repeated time and time again, so that we continue to improve the service in line with tenants' expectations.

5. *Progress and Reporting...*

- 5.1. As of 31st March 2020, the Council was fully WHQS Compliant having met the standard during 2015 utilising a whole house delivery approach. Some of our housing stock does not meet the standard and are considered acceptable failures. The main reason was due to resident's choice (95%). A small number of properties (5%) were not improved because of physical constraints or the cost of remedy.

5.2. The following table sets out our achievement of meeting the WHQS in 2015 by components, together with the annual programme to maintain compliance.

WHQS Compliance by Component



5.3. Tenant refusals will be improved by having a rescheduling programme which targets properties when they either become void or whereby an existing tenant who previously refused the works decides to have the work completed.

•

5.4. A small number of properties have fallen out of compliance due to the 'Cost of Remedy' of repairs. An options appraisal will be done on these properties and the Most Satisfactory Course of Action (MSCA) and Net Present Value (NPV) considered.

5.5. Future work programmes will be considered in line with the life cycles of components previously upgraded. However, we will be developing a further programme for the following:

- Continuing with our roofing & rendering programme
- Boiler replacements and servicing
- Maintaining the housing investment programme and standard
- Developing our decarbonisation strategy (SAP 92+)
- Improving 'our offer' to older people
- Building more homes through a new affordable Homes Delivery Plan

5.6. We have a robust Governance structure in place which can be found in the Business Plan (Appendix A-D). We report regularly to local members, scrutiny committees, full Council and the Housing Services Advisory Panel (made up of tenants, local members and Council Officers). Progress, good news stories and information is provided to tenants in a quarterly 'Tenant 2 Tenant' newsletter/ magazine and we often engage with TPAS Cymru.

6. Data Collection, Storage and Updating ...

- 6.1. Prior to the CHS an internal asset management database was developed to produce the programme of works. This was populated through an 80% stock condition survey and information received from major works programmes at the time. The remaining property data was modelled giving a high level of accuracy to achieve the WHQS.
- 6.2. We believe that managing housing assets goes beyond just investing in good repair and improvements. Asset management is also about reviewing and potentially changing the asset base to end up with the right accommodation in the right location, supported by excellent, flexible services for our tenants. It must consider quality and value for money, particularly the whole life of a home and how running costs will affect tenants.
- 6.3. By applying an effective asset management strategy to our 9,000 plus homes, it will also enable us to meet our legal requirement of maintaining the housing stock in the future.
- 6.4. We fully recognise that in order to achieve the above we must ensure that:
 - The right structures, skills, resources, and capacity are in place and are regularly reviewed
 - Robust stock condition information, data and analysis is in place to drive investment
 - Our data is further enhanced and regularly validated by feedback from all programmed and cyclical repairs, and maintenance activities
 - We complete our cost certainty exercise for our overarching 30-year financial plan
- 6.5. We use two software systems for data collection and modelling. TOTALMobile, is used for job ordering of programmed works, contractor payment and store completion dates. We use the data to forecast future investment requirements as well as our overall 30-year business plan. Also, we use our Housing Management System (OHMS) to collate and store stock compliancy and other asset data such as adaptations. Both systems are legacy systems and we have purchased two new systems (CIVICA CX Assets will replace OHMS functionality and Service Connect will replace TOTALMobile). Both systems will complement each other. This will improve functionality and facilitate more efficient analysis and scenario modelling to inform future investment programmes.

7. Current Compliance Position...

- 7.1. Annually, Carmarthenshire County Council completes a WHQS return for the Welsh Government which indicates the condition status of the stock at the end of each financial year. Subject to acceptable fails, Carmarthenshire is 100% WHQS compliant. The table below indicates the most up to date stock compliance status:

CCC CHS+ Status	Total Stock (March 2020)	Total Stock %
Assets	9,122	-
Total Fully Compliant	8175	89.6
Total Acceptable Fails	947	10.4

Our SAP data is a combination of cloned data for similar properties or archetypes and surveyed data. We are currently reviewing this data as part of a Research programme with Cardiff University's Welsh School of Architecture

8. Interpretation and current recording of 'Acceptable Fails'...

8.1. We will assess elements of the standard as pass, fail or not applicable. The Council accepts four main reasons for an acceptable fail and follows Welsh Government guidance:

In Line with Welsh Government Guidance, certain aspects for categorising an 'acceptable fail' are open to officer interpretation and therefore each case is reviewed by the responsible officer who will then decide if a property fails to meet the criteria	
Tenants' choice or refusal	Where a tenant chooses or refuses works that prevents the council from maintaining or improving the house and is recorded as an acceptable fail. All such acceptable fails are reviewed and/ or rescheduled. The asset will be fully refurbished to the appropriate standard at the next available opportunity (void works or through tenants' change of mind). Tenants <u>do not</u> have a choice whether to have smoke or carbon monoxide detectors installed in their homes or to have their boilers serviced.
Physical Constraint	Physical constraint only accounts for a small percentage (2%) of our acceptable fails whilst this doesn't present a significant problem at this stage it could prevent us from maintaining the standard in future. These properties are clearly identified and measures have been put in place to mitigate this at the earliest possible opportunity.
Timing of Remedy	Although this currently does not present a problem for the council, we may in the future defer works to ensure our investment programmes remain efficient, we may also consider combining works to reduce disruption levels for our tenants.
Cost of Remedy	Future investment to support the standard will be based on an assessment of the building(s) and whether it is lettable. Consideration will be given to future lifecycle costs to maintain compliance. Where it is uneconomical to repair, we will carry out an MSCA assessment to determine its long-term viability.

9. Risk Reduction Measures

9.1. We will continue to respond to changes in legislation, regulations or other statutory guidance that will make our tenants homes safer. Ensuring that our tenants are safe and healthy within their homes and the environments that they live in is an utmost priority for the Council and we will adopt new, better standards in timely manner. Risk reduction measures that we have recently put in place are:

- Approach to Fire Safety management
- Radon Testing Programme
- Serge Protection Upgrade

10. Independent Verification....

10.1. We believe that we report compliance accurately in achieving and maintaining the WHQS, and we will continue to do so.

10.2. We will also back this up with further verification by:

- Demonstrate a clear separation of duties between those reporting compliances and those delivering and enhanced standard of work
- Using internal staff in conjunction with external support to undertake desktop reviews
- Commencing a sample programme of stock condition visits every year
- Asking tenants how they would like to be part of the process of verification
- Use a range of methods to assess compliance including independent collection of data
- Complying with internal and external audit requirements

11. Annual Financial Statement....

11.1. Annually the Council reviews the Housing Revenue Account (HRA) Business Plan which sets out the investment needed to maintain the housing stock investment programmes. The Council has a robust 30-year business plan in place and since April 2015 has become self-financing having exited the Housing Revenue Account Subsidy System (HRAS).

11.2. Our capital investment programme is supported by funding from the Welsh Governments Major Repairs Allowance (MRA), contributions from revenue, capital receipts as well as prudential borrowing. All of these income streams are used to facilitate the capital investment required to sustain our stock as part of our 30-year business plan.

11.3. We will also pursue, where possible, other funding streams and grants to maximise our income that will support and complement the work programmes and/ or services outlined in the Business Plan.

12. Recording Community Benefits....

12.1. In light of the Pandemic, the Council is committed to stimulating our foundational economy through our housing investment programme and how this will benefit local communities to recover.

12.2. Where possible, we will use local contractors from the Minor Works Framework and South West Wales Regional Contract Framework (SWWRF). Not only will this provide value for money, as part of the framework agreement our contractors will provide:

- Employment including apprenticeship schemes
- Training
- Working with local school and colleges
- Non-core community benefits including regeneration schemes

- 12.3. We are also committed to developing the skills, training and job opportunities within the Council Services. This includes providing apprenticeships and graduate trainee programmes through Coleg Sir Gar and University of Wales Trinity Saint David.
- 12.4. We will measure all contracts awarded through the capital investment programme against the Value Wales Measurement Toolkit (or similar).

Mae'r dudalen hon yn wag yn fwriadol

Cabinet
21 ain Chwefror 2022

Y Pwnc / Pwrpas: Polisi Rheoli'r Trysorlys a Strategaeth 2022-23		
Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:		
<p>1. Bod y Cabinet yn mynd ati'n ffurfiol i gymeradwyo Polisi a Strategaeth Rheoli'r Trysorlys 2022-23 a'r argymhellion sydd ynddynt.</p> <p>2. Bod y Cabinet yn mynd ati'n ffurfiol i gymeradwyo Dangosyddion Rheoli'r Trysorlys, Dangosyddion Darbodus, y Datganiad MRP, y Strategaeth Fuddsoddi a'r argymhellion sydd ynddynt.</p>		
Y Rhesymau:		
Er mwyn cydymffurfio ag adolygiad Cod Darbodaeth CIPFA ac adolygiad Cod Ymarfer CIPFA o ran Rheoli'r Trysorlys 2017.		
Ymgynghorwyd â'r pwyllgor craffu perthnasol DO		
Pwyllgor Craffu Polisi ac Adnoddau: 2ail Chwefror 2022		
Angen i'r Cabinet wneud penderfyniad OES Angen i'r Cyngor wneud penderfyniad OES		
YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Cllr. D.M. Jenkins		
Y Gyfarwyddiaeth:		
Enw Pennaeth y Gwasanaeth: Randal Hemingway	Swydd: Pennaeth Gwasanaethau Ariannol	Rhif ffôn: 01267 224886 Cyfeiriad E-bost: RHemingway@sirgar.gov.uk
Awdur yr Adroddiad: Anthony Parnell	Swydd: Rheolwr Pensiwn a Buddsodiadau Gyllidol	Rhif ffôn: 01267 224180 Cyfeiriadau E-bost: AParnell@sirgar.gov.uk

**EXECUTIVE SUMMARY
CABINET
21/02/2022**

SUBJECT

Treasury Management Policy and Strategy 2022-23

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

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

and

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

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

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

Signed: R Hemingway

Head of Financial Services

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

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 2nd March 2022.

CONSULTATIONS

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

Signed: R Hemingway

Head of Financial Services

1. Scrutiny Committee

Policy and Resources Scrutiny Committee will be consulted on the 2nd February 2022.

2. Local Member(s)

N/A

3. Community / Town Council

N/A

4. Relevant Partners

N/A

5. Staff Side Representatives and other Organisations

N/A

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

YES/NO * Delete as appropriate

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
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 THE CABINET
DATE: 21st FEBRUARY 2022**

REPORT OF THE DIRECTOR OF CORPORATE SERVICES

TREASURY MANAGEMENT POLICY AND STRATEGY 2022-2023

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 2017. The Council also carries out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2017.

CIPFA published the revised 2021 Treasury Management Code and Prudential Code on 20th December 2021 and has stated that formal adoption is not required until 2023-24 financial year. Members will be updated on how any changes to the Codes will impact our current approach and any changes required will be formally adopted within the 2023-24 Treasury Management Policy and Strategy.

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 2017 and the Revised CIPFA Treasury Management Code of Practice 2017.

This Revised CIPFA Treasury Management Code of Practice 2017 stipulates that there should be Member scrutiny of the treasury policies, Member training and awareness and regular reporting.

The objectives of the Revised Prudential Code 2017 are to ensure, within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable, 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 Policy 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 Executive Board, 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 Policy 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 Revised CIPFA Treasury Management Code of Practice 2017.

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 Executive Board and the Council if changes are required.

D. TREASURY MANAGEMENT STRATEGY 2022-2023

1. INTRODUCTION

- 1.1 The Treasury Management Strategy provides details of the expected activities of the Treasury Management function in the financial year 2022-23.
- 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 (revised in 2017), 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 2022-23 are:

2.2.1 Interest rate exposure limits for 2022-23 are estimated as follows:

Estimated Average Position for 2022-23			
	Fixed Interest Rate	Variable Interest Rate	Total
	£m	£m	£m
Borrowed	+472	+3	+475
Invested	(40)	(35)	(75)
Net Debt	+432	(32)	+400
Proportion of Total Net Debt	+108%	(8%)	+100%

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

	Fixed Interest Rate	Variable Interest Rate
Proportion of Total Net Debt	+125%	+5%

2.2.2 It is recommended that the following exposure limits for 2022-23, 2023-24 and 2024-25 are adopted:

Interest Rate Exposures	2022-23	2023-24	2024-25
	Upper	Upper	Upper
	£m	£m	£m
Limits on fixed interest rates based on net debt	512	555	555
Limits on variable interest rates based on net debt	51	55	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	50%	0%
5 years to 10 years	50%	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:

	2022-23	2023-24	2024-25
	£m	£m	£m
Maximum principal sums invested longer than 365 days	10	10	10

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	2022-23	2023-24	2024-25
	%	%	%	%
Average Bank Rate	0.50	1.13	1.25	1.25

4. BORROWING STRATEGY 2022-23 – 2024-25

4.1 The Monetary Policy Committee is now very concerned at the way that forecasts for inflation have had to be repeatedly increased within a matter of just a few months. Combating this rising tide of inflation is now its number one priority and the 5-4 vote marginally approving only a 0.25% increase on 4th February 2022 rather than a 0.50% increase, indicates it is now determined to push up Bank Rate quickly. A further increase of 0.25% is therefore probable in March 2022, and again in May 2022, followed possibly by a final one in November 2022. However, data between now and November 2022 could shift these timings or add to or subtract from the number of increases.

There is expected to be a steady but slow rise in PWLB rates over the next few years, though there will be a lot of unpredictable volatility during this forecast period.

The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will continue to take a cautious approach to its treasury management strategy.

Against this background and the risks within the economic forecast, caution will be adopted with the 2022-23 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 investment returns are low and counterparty risk should still be considered.

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 expected to borrow £39.1m for the Carmarthenshire led projects within the Swansea Bay City Deal partnership from 2022-23 to 2024-25.

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 2022-23 – 2024-25**

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)

2017 Revised Prudential Code for Capital Finance in Local Authorities

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

2017 Revised CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes

CIPFA Treasury Management Guidance Notes 2018

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 coronavirus outbreak has caused significant economic damage to the UK and economies around the world. As shown in the forecast table in 3 above there are likely to be Bank Rate increases over the three-year period to 2024-25. Investment returns have started improving in the second half of 21/22 and are expected to improve further during 22/23 as the MPC progressively increases Bank Rate. We continue to have robust procedures and controls in place to manage and monitor our investment strategy.

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 54.7% stake within Royal Bank of Scotland Group.

UK part nationalised banks which are significantly 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 be monitored for any 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 2017 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. The current Covid issues have demonstrated that these procedures have helped reduce risk. Whilst this is not a cause for concern, officers will continue to monitor the situation and changes to future investment strategies are likely.

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	£7m	1 year
Part Nationalised	-	-	-	£7m	1 year
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	-	-	-	£5m	Daily Liquidity
- Any AAA Rated Money Market Fund LVNAV	-	-	-	£5m	Daily Liquidity
- Debt Management Account Deposit Facility (DMO)	-	-	-	£100m*	6 months (max term specified by DMO)

*Note: the increase in the DMO money limit from £70m to £100m was approved in April 2021 and reported in the 1st April 2021 – 30th June 2021 Treasury Management Report

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 2022-2023 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.

Previously, the “7 day LIBID rate” was the recognised rate which the Council would aim to exceed when lending money, however the LIBID rates ceased from 31st December 2021. Work is currently progressing with our Treasury advisors at Link and their clients to replace this rate with a suitable alternative for benchmarking.

We will monitor the situation closely and an update will be provided in future Quarterly Reports.

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 **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.

6. **DEBT RESCHEDULING AND PREMATURE REPAYMENT OF DEBT**

As short term borrowing rates are likely to be considerably 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. However, these 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.

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 – Currently no benchmark available - please see note 5.4 above.

The results of these indicators will be reported in the Treasury Management Annual Report for 2022-23.

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 2017 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

RECOMMENDATIONS

1. That Council formally approves the Treasury Management Policy and Strategy for 2022-2023 and recommendations therein.
2. That Council formally approves the Treasury Management Indicators, Prudential Indicators, the MRP Statement, the Investment Strategy and recommendations therein.

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.

1.2

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 Executive Board and Policy 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, Executive Board and Policy 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 2017 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 2017 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 2017 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 2017 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 recognize 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.

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 2017 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 2017 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 2017 should be widely broadcast, as should the principles of the Revised CIPFA Treasury Management Code of Practice 2017 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 2017. 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.

Mae'r dudalen hon yn wag yn fwriadol

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%	0.17%
AA (includes AA- and AA+)	0.02%	0.04%	0.09%
A	0.05%	0.14%	0.26%
BBB	0.14%	0.38%	0.66%
BB	0.64%	1.79%	3.14%
B	2.81%	6.83%	10.44%
CCC	19.89%	27.52%	32.84%

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:

- **0.17% 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%	0.17%

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 widely used to assess investment performance. Previously, the “7 day LIBID rate” was the recognised rate which the Council would aim to exceed when lending money, however the LIBID rates ceased from 31st December 2021. Work is currently progressing with our Treasury advisors at Link and their clients to replace this rate with a suitable alternative for benchmarking. We will monitor the situation closely and an update will be provided in future Quarterly Reports.

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 2022-2023
(as at 10th January 2021)**

	<u>Fitch</u>		<u>Moody's</u>		<u>Standard and Poors</u>		<u>Money</u>	<u>Time</u>
	<u>Short Term</u>	<u>Long Term</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Limit £'m</u>	<u>Limit years</u>
<u>Upper Limit</u>	<u>F1</u>	<u>AA-</u>	<u>P-1</u>	<u>Aa3</u>	<u>A-1</u>	<u>AA-</u>	<u>10</u>	<u>3</u>
UK Banks								
<u>Middle Limit</u>	<u>F1</u>	<u>A</u>	<u>P-1</u>	<u>A2</u>	<u>A-1</u>	<u>A</u>	<u>7</u>	<u>1</u>
UK Banks								
Banco Santander Central Hispano Group - Santander UK Plc	F1	A+	P-1	A1	A-1	A	7	1
Barclays Bank	F1	A+	P-1	A1	A-1	A	7	1
HSBC Bank Plc	F1+	AA-	P-1	A1	A-1	A+	7	1
Lloyds Banking Group - Bank of Scotland Plc - Lloyds Bank	F1 F1	A+ A+	P-1 P-1	A1 A1	A-1 A-1	A+ A+	7 7	1 1
Standard Chartered Bank	F1	A+	P-1	A1	A-1	A+	7	1
UK Building Societies								
Nationwide	F1	A	P-1	A1	A-1	A+	7	1
<u>UK Banks Part Nationalised</u>								
Royal Bank of Scotland Group - National Westminster Bank Plc - Royal Bank of Scotland Plc							7 7	1 1
<u>Council's Banker</u>							3	1 day
<u>Other Institution Limits</u>								
<u>Local Authorities</u>								
Any One Local Authority (including police and fire authority)							5	1
<u>Money Market Funds</u>								
Any AAA Rated Money Market Fund CNAV							5	1
<u>Money Market Funds</u>								
Any AAA Rated Money Market Fund LVNAV							5	1
Debt Management Office							100	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.

	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non-HRA	3.95%	4.02%	4.31%
HRA (inclusive of settlement figure)	30.90%	32.02%	32.43%

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 2023/2024 is a 3.5% increase on 2022/2023 and for 2024/25 a 2.4% estimated increase on 2023/2024.

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	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non-HRA	285	316	309*
HRA	178	192	200
HRAS**	69	67	66
TOTAL	532	575	575

*The Non-HRA CFR decreases in 2024/25 as the Minimum Revenue Provision exceeds the net capital funding requirement.

**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 (2020/21) 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 authority complied with this requirement in 2020/21 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	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt at 1 st April	433	414	411	475	555
Expected Change in Debt	(16)	(3)	64	80	20
Gross debt at 31st March	414	411	475	555	575
CFR	504	502	532	575	575
Under / (Over) borrowing	90	91	57	20	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	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Borrowing	584.9	631.9	632.3
Other Long- Term Liabilities	0.5	0.5	0.5
Total	585.4	632.4	632.8

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	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Borrowing	532.1	574.8	575.2
Other Long-Term Liabilities	0.1	0.1	0.1
Total	532.2	574.9	575.3

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 2021 was £414m. 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.

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 be affected once information is collated during 2022/23 for the new lease requirements under IFRS 16.

Mae'r dudalen hon yn wag yn fwriadol

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.

Council is recommended to approve the following MRP Statement for 2022/2023:

For Supported and Unsupported Capital Expenditure, the MRP policy will continue to follow the approaches above.

Cabinet

21AIN Chwefror 2022

Y Pwnc a'r Pwrpas:

Polisi Cyflogau Athrawon Enghreifftiol 2021/22

Yr Argymhellion / Penderfyniadau allweddol sydd eu hangen:

- Cymeradwyo Polisi Cyflogau Athrawon Enghreifftiol 2021/22 cyn iddo gael ei ddsbarthu i'r ysgolion er mwyn i'w Cyrff Llywodraethu ei fabwysiadu'n ffurfiol.

Y Rhesymau:

Mae'r Polisi Cyflogau Athrawon Enghreifftiol wedi cael ei ddiweddarau i gynnwys tâl mis Medi 2021 fel y nodir yn Nogfen Cyflog ac Amodau Athrawon Ysgol (Cymru) 2019.

Mae newidiadau eraill yn egluro'r sefyllfa o ran y brif raddfa gyflog pum pwynt, a'r berthynas rhwng perfformiad a datblygiad cyflog ar draws pob graddfa gyflog. Mae'r Polisi hefyd yn ystyried effaith yr ŵyl banc ychwanegol i ddatlu Jiwbilî Platinwm y Frenhines yn 2022 ar flwyddyn academaidd 2021/2022, sy'n golygu bod yn rhaid i athrawon fod ar gael i weithio am 194 diwrnod /1258.5 awr yn lle'r 195 diwrnod / 1265 awr arferol o amser cyfeiriedig.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol

NAC OES

Gan gynnwys dyddiad y Pwyllgor (os yw'n hysbys ac unrhyw arsylwadau yma neu yn yr adran Ymgynghoriadau)

Angen i'r Cabinet wneud penderfyniad
Angen i'r Cyngor wneud penderfyniad

OES

21 Chwefror 2022

NAC OES

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

Y Cyng Philip Hughes Adnoddau Dynol, Effeithlonrwydd a Chydweithio

Y Cyng Glynog Davies Addysg a Phlant

Y Gyfarwyddiaeth: Y Prif Weithredwr / Rheoli Pobl; Addysg a Gwasanaethau Plant

Enw Pennaeth y
Gwasanaeth:

Paul R. Thomas

Gareth Morgans

Awdur yr Adroddiad:

Julie Stuart

Swydd:

Prif Weithredwr Cynorthwyol (Rheoli Pobl)

Cyfarwyddwr Addysg a Gwasanaethau Plant

Uwch-bartner Busnes Adnoddau Dynol

Ffôn:

Cyfeiriadau e-bost:

01267 246123

PRThomas@sirgar.gov.uk

01267 224888

EDGMorgans@sirgar.gov.uk

07880 504068

JStuart@sirgar.gov.uk

EXECUTIVE SUMMARY

CABINET MEETING

21AIN FEBRUARY 2022

SUBJECT

Model Teachers' Pay Policy 2021/22

1. BRIEF SUMMARY OF PURPOSE OF REPORT

All schools are required to adopt a pay policy that sets out the basis on which it determines Teachers' pay and the date by which it will determine the Teachers' annual pay review and also establish procedures for addressing Teachers' grievances in relation to their pay. The document called School Teachers Pay and Conditions (STPCD) is updated each year which can lead to amendments in the Model Pay Policy offered to schools.

This revised model Pay Policy has been updated to reflect September 2021 pay award as detailed in the School Teachers Pay and Conditions (Wales) Document 2021; and to clarify the position of the five-point Main Pay scale, and the relationship between performance and pay progression across all pay scales. The Policy also takes account of the impact of the extra bank holiday to celebrate the Queen's Platinum Jubilee in 2022, on the 2021/22 academic year, which means that Teachers must be available to work for 194 days / 1258.5 hours instead of the usual 195 days / 1265 hours of directed time.

The HR Group of the regional consortium 'Partneriaeth' has updated the current Pay Policy to be offered to all schools across the region. The Partneriaeth Consortium consists of the following County Councils, Carmarthenshire, Pembrokeshire and the City & County of Swansea.

Teaching associations have been fully consulted on the Model Teachers' Pay Policy 2021/22, regionally. Regional representatives have consulted their local colleagues.

The Partneriaeth region developed a regional Model Teachers' Pay Policy which will be distributed to schools by its constituent Local Authorities for consideration and adoption by governing bodies. This policy encompasses the changes to Teachers' pay arrangements as outlined in the STPC(W)D 2021 and will assist in achieving a high level of consistency across the region.

Each Local Authority is going through their individual Council process for endorsement of the policy and Partneriaeth advice to all schools is not to do anything further about introducing a new Pay Policy until the final Model Pay Policy is released by the Director of Education & Children's Services. This will be done as soon as possible but is likely to be February 2022.

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:  _____
ASSISTANT CHIEF EXECUTIVE (PEOPLE MANAGEMENT)

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

1. Policy, Crime & Disorder

The document called School Teachers Pay and Conditions (STPC(W)D) is updated each year which can lead to amendments in the model pay policy offered to schools.

2. Legal

The Model Teachers' Pay Policy has been updated to reflect legislative changes introduced by the School Teachers Pay and Conditions (Wales) Document 2021.

3. Finance

No corporate financial implications as the schools have their own delegated budget.

5. Risk Management Issues

The schools are statutorily bound to have a pay policy in place.

6. Staffing Implications

The HR Team will provide advice and guidance to schools on the application of the Model Teachers' Pay Policy 2021/22 as required.

CONSULTATIONS

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

Signed:  _____
ASSISTANT CHIEF EXECUTIVE (PEOPLE MANAGEMENT)

1. Scrutiny Committee

None

2. Local Member(s)

None

3. Community / Town Council

None

4. Relevant Partners

None

5. Staff Side Representatives and other Organisations

Partneriaeth (Regional) HR / TU Forum - 10th November 2021 - Endorsed
 Education & Children's Services Department Employee Relations Forum – Circulated to members for information – 25th January 2022

**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
Model Teachers' Pay Policy 2021/22		



Polisi Cyflogau Athrawon Enghreifftiol

2021 – 2022

RHEOLI'R DDOGFEN	
Enw'r Polisi	Polisi Cyflogau Athrawon 2021-22
Adran	Adnoddau Dynol
Swyddogion Adolygu	Grŵp Adnoddau Dynol ERW ar ran y 3 Awdurdod Lleol cyfansoddol
Y BROSES YMGYNGHORI	
<p>Ymgynghorwyd â'r Undebau Llafur canlynol ynghylch y Polisi hwn:</p> <ul style="list-style-type: none">• Y Gymdeithas Arweinwyr Ysgolion a Cholegau (ASCL)• Cymdeithas Genedlaethol y Prifathrawon (NAHT)• Cymdeithas Genedlaethol yr Ysgolfeistri ac Undeb yr Athrawesau (NASUWT)• Yr Undeb Addysg Genedlaethol (NEU)• UCAC	

POLISI CYFLOGAU ATHRAWON ENGHREIFFTIOL 2021-22

Mabwysiadodd Corff Llywodraethu Ysgol _____
y Polisi hwn yn ffurfiol ar _____.

TABL CYNNWYS

1.	Cyflwyniad	4
2.	Datganiad o Fwriad	4
3.	Deddfwriaeth Cydraddoldeb	4
4.	Swydd-ddisgrifiadau	5
5.	Gwerthusiad	5
6.	Rhwymedigaethau'r Corff Llywodraethu	5
7.	Rhwymedigaethau'r Pennaeth	5
8.	Rhwymedigaethau'r Athrawon	6
9.	Differynnau	6
10.	Diogelu	6
11.	Medrusrwydd a Datblygiad Cyflog	6
12.	Pennu Cyflogau	7
13.	Cyflog y Pennaeth	7
14.	Cyflog y Dirprwy Bennaeth/Pennaeth Cynorthwyol	8
15.	Datblygiad Cyflog ar gyfer Aelodau'r Grŵp Arwain	9
16.	Cyflog Athrawon Dosbarth	10
17.	Ceisiadau am Dâl ar yr Ystod Cyflog Uwch	12
18.	Rôl Ymarferwr Arweiniol	14
19.	Athrawon heb gymhwysu	14
20.	Lwfansau a Thaliadau yn ôl Disgresiwn	15
21.	Cyfrifo Cyflogau ac Amser Athrawon Rhan-amser	18
22.	Athrawon a Gyflogir ar Fyr Rybudd (Cyflenwi)	18
Atodiad 1:	Ystodau Cyflog 2021-22	19
Atodiad 2:	Datganiad yr Adolygiad Blynyddol o Gyflogau Athrawon	23
Atodiad 3:	Meini Prawf ar gyfer Datblygu i'r Ystod Cyflog Uwch	24
Atodiad 4:	Ffurflen Gais ar gyfer yr Ystod Cyflog Uwch	25
Atodiad 5:	Siart Llif y Broses Adolygu Cyflogau	26
Atodiad 6:	Canllawiau ar Gyflogau'r Grŵp Arwain	27
Atodiad 7:	Ffurflen Adolygu Flynyddol y Grŵp Arwain	35
Atodiad 8:	Y Broses Apeliadau Cyflog	36
Atodiad 9:	Cyfrifo Cyflogau ac Amser Athrawon Rhan-amser	39
Atodiad 10:	Strwythur Staffio yr Ysgol	40

1. CYFLWYNIAD

- 1.1. Mae'r Polisi Cyflogau hwn yn darparu fframwaith ar gyfer gwneud penderfyniadau ynghylch cyflogau athrawon. Fe'i datblygwyd i gydymffurfio â gofynion y Ddogfen Cyflog ac Amodau Athrawon Ysgol (Cymru) (DCAAY(C)), ac mae wedi bod yn destun ymgynghori â'r holl gymdeithasau addysgu cydnabyddedig.
- 1.2. Mae'r polisi cyflogau hwn yn berthnasol i'r rheiny a gyflogir yn uniongyrchol gan Awdurdodau Lleol yn unig, ac nid yw'n berthnasol i unrhyw un a gyflogir trwy asiantaeth.

2. DATGANIAD O FWRIAD

- 2.1. Prif ddyletswydd statudol Cyrff Llywodraethu yng Nghymru, fel y'i nodir ym mharagraff 21 (2) o Ddeddf Addysg 2002, yw cynnal yr ysgol gyda'r bwriad o hyrwyddo safonau uchel o gyflawniad addysgol yn yr ysgol. Bwriedir i'r Polisi hwn gefnogi'r ddyletswydd statudol honno.
- 2.2. Bydd y gweithdrefnau ar gyfer pennu cyflogau yn yr Ysgol hon yn gyson ag egwyddorion bywyd cyhoeddus: gwrthrychedd, didwylledd ac atebolrwydd.
- 2.3. Bydd y Corff Llywodraethu yn gweithredu ag unplygrwydd, cyfrinachedd, gwrthrychedd a gonestrwydd er lles pennaf yr Ysgol mewn perthynas â gweithredu'r Polisi hwn.
- 2.4. Bydd y Corff Llywodraethu yn agored am benderfyniadau tâl a wnaethpwyd a champau a gymerwyd, a bydd yn barod i egluro penderfyniadau a champau i bobl sydd â diddordeb.
- 2.5. Bydd unrhyw ddiwygiadau yn y dyfodol i'r polisi hwn yn cydymffurfio â'r DCAAY(C), a byddant yn destun ymgynghoriad â phartïon perthnasol, gan gynnwys undebau llafur cydnabyddedig.

3. CYDRADDOLDEBAU

- 3.1. Mae'r Ysgol yn ymrwymedig i sicrhau cydraddoldeb ym mhopeth a wnawn. Mae Deddf Cydraddoldeb 2010 wedi disodli a chryfhau'r ddeddfwriaeth flaenorol ar gydraddoldeb. Bydd y Corff Llywodraethu yn cydymffurfio â'r holl ddeddfwriaeth gydraddoldeb sy'n berthnasol.
- 3.2. Cymhwysir y Polisi hwn yn gyson i bob cyflogai a hynny heb ystyried oedran, anabledd, hil, rhywedd (rhyw), ailbennu rhywedd, priodas/partneriaeth sifil, beichiogrwydd/mamolaeth, crefydd, cred na chyfeiriadedd rhywiol.
- 3.3. Bydd y Corff Llywodraethu yn hyrwyddo cydraddoldeb ym mhob agwedd ar fywyd yr ysgol, yn benodol mewn perthynas â phob penderfyniad ar hysbysebu swyddi, penodi, dyrchafu a thalu staff, a hyfforddi a datblygu staff.
- 3.4. Bydd y Corff Llywodraethu yn sicrhau bod prosesau talu'n dryloyw ac yn deg. Bydd pob penderfyniad a wneir yn cael ei gyfiawnhau a'i gofnodi'n wrthrychol. Bydd

addasiadau rhesymol yn cael eu gwneud fesul achos, er mwyn ystyried amgylchiadau unigolion, er enghraifft absenoldeb hirdymor oherwydd mamolaeth neu afiechyd, gan gynnwys absenoldeb yn ymwneud â COVID.

4. SWYDD-DDISGRIFIADAU

- 4.1. Bydd y Pennaeth yn sicrhau bod gan bob aelod o'r staff swydd-ddisgrifiad yn unol â strwythur staffio yr Ysgol (**gweler Atodiad 10**), fel y cytunwyd gan y Corff Llywodraethu.

5. GWERTHUSIADAU

- 5.1. Bydd y Corff Llywodraethu yn cydymffurfio â Rheoliadau Gwerthuso Athrawon Ysgol (Cymru) 2011 o ran gwerthuso Penaethiaid ac Athrawon trwy gymhwyso Polisi Rheoli Perfformiad yr Ysgol.

6. RHWYMEDIGAETHAU'R CORFF LLYWODRAETHU

- 6.1. Bydd y corff llywodraethu yn gwneud y canlynol:
- cyflawni ei rwymedigaethau fel y'u nodir yn y DCAAY(C) a'r Amodau Gwasanaeth i Athrawon Ysgol yng Nghymru a Lloegr (y "Burgundy Book");
 - sefydlu Pwyllgor Cyflogau a Phwyllgor Apeliadau Cyflog;
 - gwneud pob penderfyniad ynghylch datblygiad cyflog, gan ystyried argymhellion y Pennaeth;
 - sicrhau bod cyllid ar gael i gefnogi penderfyniadau ynghylch cyflogau, yn unol â'r Polisi Cyflogau hwn a chynllun gwariant yr Ysgol;
 - sicrhau bod athrawon, trwy'r Pennaeth, yn cael gwybod am benderfyniadau ynghylch cyflogau sy'n effeithio arnynt, a bod cofnodion yn cael eu cadw o'r argymhellion a'r penderfyniadau a wneir; a
 - monitro'n flynyddol ganlyniadau penderfyniadau ynghylch cyflogau, gan gynnwys i ba raddau y gall grwpiau gwahanol o athrawon ddatblygu ar gyfraddau gwahanol. Bydd canlyniad yr adolygiad yn cael ei rannu â chynrychiolwyr undebau llafur lefel ysgol.

7. RHWYMEDIGAETHAU'R PENNAETH

- 7.1. Bydd y Pennaeth yn gwneud y canlynol:
- sicrhau bod pob gwerthuswr (os nad y Pennaeth yw hwnnw) yn darparu gwybodaeth gywir, berthnasol, gyflawn ac amserol am argymhellion ynghylch cyflogau;

- cymedroli asesiadau perfformiad ac argymhellion cychwynnol ynghylch cyflogau i sicrhau cysondeb a thegwch;
- cyflwyno argymhellion perthnasol ynghylch cyflogau i'r Pwyllgor Cyflogau, a sicrhau bod y Pwyllgor Cyflogau yn cael gwybodaeth berthnasol er mwyn gallu gwneud penderfyniadau ynghylch cyflogau;
- rhoi gwybod i'r Athrawon am Bolisi Cyflogau yr Ysgol, a sicrhau bod copi ar gael iddynt;
- rhoi gwybod i'r staff sy'n gweinyddu'r gyflogres a/neu'r staff adnoddau dynol yn yr Awdurdod Lleol am benderfyniadau ynghylch cyflogau y mae angen eu rhoi ar waith; a
- sicrhau bod adroddiad ar weithrediad y Polisi Cyflogau yn cael ei gyflwyno i'r Corff Llywodraethu a'r Undebau Llafur perthnasol yn flynyddol.

8. RHWYMEDIGAETHAU ATHRAWON

8.1. Bydd yr Athrawon yn gwneud y canlynol:

- ymgyswddo â darpariaethau'r Polisi Cyflogau hwn, y DCAAY(C), y safonau proffesiynol perthnasol, a'r holl bolisiâu perthnasol ar gyflogaeth ysgolion; a
- mynd i'r afael â'r prosesau a nodir yn y Polisi hwn, a hynny mewn modd cadarnhaol.

9. DIFFERYNNAU

9.1. Yn fframwaith y DCAAY(C), bydd differynnau priodol yn cael eu creu a'u cynnal rhwng swyddi yn yr Ysgol, gan gydnabod atebolrwydd a phwysau swydd, ac angen y Corff Llywodraethu i recriwtio a chadw digon o Athrawon o'r ansawdd gofynnol ar bob lefel.

10. DIOGELU

10.1. Lle mae penderfyniad tâl yn arwain, neu'n gallu arwain, at ddechrau cyfnod diogelu, bydd y Corff Llywodraethu yn cydymffurfio â darpariaethau perthnasol y DCAAY(C) ac yn rhoi'r rhybudd gofynnol cyn gynted â phosibl a chyn pen mis ar ôl y penderfyniad.

11. MEDRUSRWYDD A DATBLYGIAD CYFLOG

11.1. Lle mae athro yn destun camau ffurfiol Gweithdrefn Medrusrwydd yr Ysgol, bydd prosesau rheoli perfformiad yr Ysgol yn cael eu gohirio mewn perthynas â'r Athro dan sylw nes i'r Weithdrefn Medrusrwydd ddod i'w chasgliad.

- 11.2. Pan gwblheir y Weithdrefn Medrusrwydd, bydd yr athro yn ailddechrau prosesau rheoli perfformiad yn unol â Pholisi'r Ysgol.
- 11.3. Ni fydd datblygiad cyflog yn ganiataol yn unol â'r Polisi Cyflog hwn tra bydd Athro yn destun camau ffurfiol Gweithdrefn Medrusrwydd yr Ysgol.
- 11.4. Ar ôl cwblhau'r Weithdrefn Medrusrwydd, byddai'r Athro'n ailymuno â'r cylch Rheoli Perfformiad.
- 11.5. Ni fydd datblygiad cyflog yn cael ei gymhwyso'n ôl-weithredol mewn unrhyw achos yn ymwneud â medrusrwydd ffurfiol.

12. PENNU CYFLOGAU

- 12.1. Mae'r corff llywodraethu wedi dirprwyo ei bwerau pennu cyflog i'r Pwyllgor Cyflogau.

12.2. Pennu Cyflogau yn Flynyddol

- 12.2.1. Bydd cyflogau'r holl staff addysgu, gan gynnwys y rheiny yn y grŵp arwain, yn cael eu hadolygu'n flynyddol, a hynny'n weithredol o 1 Medi. Bydd y Corff Llywodraethu yn cwblhau adolygiadau blynyddol o gyflog Athrawon, ynghyd ag asesiadau o geisiadau i ddatblygu i'r Ystod Cyflog Uwch, erbyn 31 Hydref; bydd gwerthusiadau blynyddol y Pennaeth yn cael eu cwblhau erbyn 31 Rhagfyr.
- 12.2.2. Gall adolygiadau gael eu cynnal ar adegau eraill yn ystod y flwyddyn, er mwyn adlewyrchu, er enghraifft, unrhyw newidiadau mewn amgylchiadau neu newidiadau yn y swydd-ddisgrifiad sy'n arwain at newid yn y sail ar gyfer cyfrifo cyflog unigolyn.
- 12.2.3. Bydd y Corff Llywodraethu yn cymhwyso unrhyw godiadau cyflog cenedlaethol yn y dyfodol fel y'u nodir yn y DCAAY(C).

12.3. Rhoi gwybod am benderfyniad ynghylch cyflogau

- 12.3.1. Bydd datganiad ysgrifenedig yn cael ei roi i bob Athro yn nodi'r cyflog ac unrhyw fuddion ariannol eraill y caiff eu hawlio ar ôl penderfyniad. Lle bo hynny'n berthnasol, bydd hyn yn cynnwys gwybodaeth ynghylch ar ba sail y gwnaed y penderfyniad. Bydd hyn yn cael ei wneud erbyn 31 Hydref ar gyfer Athrawon, 31 Rhagfyr ar gyfer Pennaethiaid, neu cyn pen mis ar ôl gwneud y penderfyniad.

12.4. Y Weithdrefn ar gyfer Apeliadau

- 12.4.1. Mae gan y Corff Llywodraethu weithdrefn ar gyfer apeliadau mewn perthynas â chyflogau. Fe'i heglurir yn **Atodiad 8** i'r Polisi Cyflogau hwn.

13. CYFLOG Y PENNAETH

- 13.1. Bydd y Corff Llywodraethu yn sicrhau bod y broses o bennu cydnabyddiaeth ariannol y Pennaeth yn deg ac yn dryloyw.

- 13.2. Bydd y Corff Llywodraethu yn pennu ystod cyflog arweinyddiaeth saith pwynt, y gellir ei hadolygu yn ôl yr angen ar gyfer y Pennaeth, a hynny'n seiliedig ar faint grŵp yr ysgol ac unrhyw ffactorau perthnasol ychwanegol, parhaol sydd wedi'u pennu yn fframwaith y DCAAY(C) (yn benodol paragraffau 9.2, 9.3 a 9.4).
- 13.3. Bydd y ffactorau ychwanegol i'w hystyried yn cynnwys holl gyfrifoldebau parhaol y swydd, yr heriau sy'n benodol i'r rôl, a'r holl ystyriaethau perthnasol eraill, ynghyd ag unrhyw ffactorau sy'n gysylltiedig â recriwtio a chadw staff.
- 13.4. Gall y Corff Llywodraethu ailbennu ystod cyflog y Pennaeth os bydd angen newid grŵp y Pennaeth (gan gynnwys lle bo'r Pennaeth yn cymryd cyfrifoldeb dros fwy nag un ysgol mewn ffederasiwn ac yn dod yn atebol am yr ysgolion hynny'n barhaol). Gall ystod cyflog y Pennaeth hefyd gael ei hadolygu ar unrhyw adeg os ystyrir bod angen adlewyrchu newid arwyddocaol o ran cyfrifoldebau'r swydd.
- 13.5. Ni fydd taliadau ar gyfer cyfrifoldebau dros dro y Pennaeth yn cael eu cynnwys yn yr ystod cyflog, ond byddant yn cael eu pennu yn unol â'r DCAAY(C)l, fel yr eglurir yn **Atodiad 6**.
- 13.6. Yn yr Ysgol hon, bydd y Corff Llywodraethu yn defnyddio pwyntiau cyflog cyfeirio yn ôl disgrisiwn ar gyfer cyflog arweinwyr, fel y nodir yn **Atodiad 1**, ac mae wedi cytuno ar ystod cyflog saith cam, sef A xxx i A xxx (y *manyllion i'w cynnwys yma gan yr ysgol*).
- 13.7. **Cyflog Adeg Penodi**
- 13.7.1. Yn achos penodiadau newydd, bydd y Corff Llywodraethu yn pennu'r ystod cyflog arweinwyr i'w hysbysebu, a bydd yn cytuno ar y cyflog cychwynnol pan fydd y Pennaeth yn cael ei benodi, a hynny gan ystyried rôl lawn y Pennaeth a darpariaethau'r DCAAY(C).
- 13.7.2. Bydd y Corff Llywodraethu yn mabwysiadu proses tri cham wrth osod y cyflog ar gyfer Pennaeth newydd, fel y nodir yn **Atodiad 6**.
- 13.7.3. Bydd y Pwyllgor Cyflogau yn adolygu grŵp Pennaeth yr Ysgol ac ystod cyflog arweinwyr y Pennaeth, yn ôl yr angen, er mwyn sicrhau perthynoleddau cyflog teg yn yr Ysgol.
- 13.7.4. Gweler **Atodiad 6** i'r Polisi Cyflogau hwn am ganllawiau ynghylch ystodau cyflog arweinwyr, ac **Atodiad 7** am Ddatganiad yr Adolygiad Blynyddol o Gyflogau.
- 13.8. **Penaethiaid sy'n gyfrifol ac yn atebol am fwy nag un ysgol yn barhaol**
- 13.8.1. Pan benodir Pennaeth i fod yn gyfrifol ac yn atebol yn barhaol am fwy nag un ysgol, dylai'r Corff Llywodraethu seilio'r penderfyniad ynghylch grŵp y Pennaeth ar gyfanswm nifer yr unedau disgyblion ledled pob ysgol, a fydd yn rhoi maint grŵp ar gyfer y ffederasiwn yn unol ag **Atodiad 6**.
- 13.8.2. Bydd hefyd angen rhoi ystyriaeth i'r gydnabyddiaeth ariannol ar gyfer Athrawon eraill a fydd, o ganlyniad i rôl y Pennaeth, yn ymgymryd â chyfrifoldebau ychwanegol. Bydd y rhain yn seiliedig ar unrhyw gyfrifoldebau ychwanegol sy'n

gysylltiedig â'r swydd (nid yr Athro), a gofnodir. Ni ddylid cytuno i gynyddu'r gydnabyddiaeth ariannol oni bai fod y swydd yn cronni cyfrifoldebau ychwanegol o ganlyniad i rôl fwy y Pennaeth – nid yw'n awtomatig.

14. CYFLOG Y DIRPRWY BENNAETH/PENNAETH CYNORTHWYOL

- 14.1. Yn yr Ysgol hon, bydd y Corff Llywodraethu yn defnyddio'r pwyntiau cyflog yn ôl disgrisiwn ar gyfer cyflogau arweinwyr, fel y nodir yn **Atodiad 1**.
- 14.2. Bydd y Corff Llywodraethu yn pennu ystod cyflog arweinwyr pum pwynt ar gyfer swyddi'r Dirprwy Bennaeth/Pennaeth Cynorthwyol, yn seiliedig ar faint grŵp yr ysgol ac unrhyw ffactorau perthnasol ychwanegol parhaol, fel y'u pennir yn fframwaith y DCAAY(C).
- 14.3. Bydd yr ystod ar gyfer swyddi unigol yn cael ei phennu yn unol â dyletswyddau a chyfrifoldebau'r swydd, a gall amrywio o swydd i swydd.
- 14.4. Yn yr ysgol hon, ystod cyflog pum cam y Dirprwy Bennaeth yw **A xx i A xxx (manylion y cyflog i'w nodi yma gan yr ysgol)**.
- 14.5. Yn yr Ysgol hon, ystod cyflog pum cam y Pennaeth Cynorthwyol yw **A xx i A xxx (manylion y cyflog i'w nodi yma gan yr ysgol)**.
- 14.6. **Cyflog Adeg Penodi**
- 14.6.1. Pan fydd angen gwneud penodiad newydd, bydd y Corff Llywodraethu yn pennu'r ystod cyflog arweinwyr ar gyfer y swydd i'w hysbysebu, a bydd yn cytuno ar y cyflog cychwynnol pan fydd y Dirprwy Bennaeth/Pennaeth Cynorthwyol yn cael ei benodi.
- 14.6.2. Bydd yr ystod cyflog yn cael ei phennu yn unol â'r DCAAY(C).
- 14.6.3. Bydd y Corff Llywodraethu yn mabwysiadu'r broses tri cham wrth osod y cyflog ar gyfer penodiadau newydd i'r tîm arwain ehangach, fel y nodir yn **Atodiad 6**.

15. DATBLYGIAD CYFLOG AR GYFER AELODAU'R GRŴP ARWAIN

- 15.1. Mae'n rhaid i'r Corff Llywodraethu ystyried yn flynyddol a ddylid cynyddu cyflogau aelodau o'r grŵp arwain sydd wedi cwblhau blwyddyn o gyflogaeth oddi ar y tro diwethaf i gyflogau gael eu pennu ac, os yw'n penderfynu gwneud hynny, i ba gyflog o fewn yr ystod cyflog berthnasol, a bennir yn unol â'r DCAAY(C).
- 15.2. Bydd unigolyn wedi cwblhau 'blwyddyn o gyflogaeth' os bydd wedi cwblhau cyfnodau o gyflogaeth sy'n gyfwerth ag o leiaf 26 wythnos, gyda'i gilydd, yn y flwyddyn ysgol flaenorol. I'r dibenion hyn, mae cyfnod cyflogaeth yn para o ddechrau'r wythnos pan fydd y gyflogaeth y cychwyn i ddiwedd yr wythnos pan gaiff y gyflogaeth ei therfynu, ac mae'n cynnwys unrhyw gyfnodau gwyliau ac unrhyw gyfnodau o absenoldeb o'r gwaith o ganlyniad i salwch neu anaf, pa un a yw gwasanaeth yr unigolyn yn ystod y cyfnod hwnnw yn llawn-amser, yn rhan-amser, yn rheolaidd neu fel arall.

- 15.3. Dylai'r cyflog ddatblygu'n flynyddol o 1 Medi, gan dybio o blaid cynnydd oni bai fod yr unigolyn wedi cael ei hysbysu trwy weithdrefnau medruswydd ffurfiol fod y gwasanaeth yn anfoddfaol mewn perthynas â'r flwyddyn honno.
- 15.4. Gall y Corff Llywodraethu ddyfarnu pwynt ychwanegol i unrhyw Bennaeth, Dirprwy Bennaeth neu Bennaeth Cynorthwyol, yr oedd ei berfformiad yn y flwyddyn flaenorol yn rhagorol, yn enwedig mewn perthynas â'r amcanion y cytunwyd arnynt.
- 15.5. Gellir penderfynu peidio â dyfarnu datblygiad cyflog lle mae'r Pennaeth, y Dirprwy Bennaeth neu'r Pennaeth Cynorthwyol yn destun achos medruswydd ffurfiol.
- 15.6. Bydd y Pwyllgor Cyflogau yn cofnodi ei benderfyniad ynghylch datblygiad cyflog ar y ffurflen Adolygu Cyflog Blynyddol yn **Atodiad 7**. Bydd copi o'r ffurflen hon yn cael ei ddarparu i'r aelod o'r staff.
- 15.7. Os dyfernir datblygiad cyflog, bydd cyflog yr aelod o'r staff yn cynyddu, a hynny'n weithredol o 1 Medi yn y flwyddyn academaidd gyfredol.
- 15.8. Os na ddyfernir datblygiad cyflog, bydd y rhesymeg dros y penderfyniad hwnnw'n cael ei chofnodi ar ffurflen yr Adolygiad Blynyddol o Gyflogau. Mae gan yr aelod o'r staff yr hawl i apelio yn erbyn unrhyw benderfyniad i beidio â dyfarnu datblygiad cyflog. Mae'r weithdrefn apelio i'w gweld yn **Atodiad 8**.

16. CYFLOG ATHRAWON DOSBARTH

16.1. Cyflog Adeg Penodi

- 16.1.1. Bydd hysbysebion ar gyfer swyddi gwag yn yr Ysgol yn cael eu hystyried gan y Pennaeth [a'r (nodwch fanylion y pwyllgor) os yw'n briodol]. Bydd pob swydd yn cael ei hysbysebu naill ai'n fewnol neu'n allanol, yn lleol neu'n genedlaethol, fel y bo'n briodol.
- 16.1.2. Bydd yr hysbyseb yn cynnwys manylion yr ystod cyflog ac unrhyw lwfansau neu daliadau ychwanegol sy'n berthnasol i'r swydd.
- 16.1.3. Bydd y Corff Llywodraethu yn pennu'r cyflog cychwynnol ar gyfer swydd Athro dosbarth, yn unol â'r Brif Ystod Cyflog a'r Ystod Cyflog Uwch, y manylir arnynt yn **Atodiad 1**.
- 16.1.4. Bydd y corff llywodraethu'n pennu cyflog dechreuol ar gyfer swydd wag athro ystafell ddosbarth. Mae'r corff llywodraethu yn ymrwymedig i egwyddor cludadwyedd tâl i athrawon sy'n cael eu talu ar hyn o bryd yn unol â darpariaethau'r DCAAY(C) neu'r DCAAY, a bydd yn cymhwyso'r egwyddor hon yn ymarferol wrth wneud penodiadau newydd.
- 16.1.5. Wrth bennu'r cyflog cychwynnol ar gyfer athro dosbarth presennol mewn academi neu ysgol a gynhelir gan awdurdod lleol yng Nghymru neu yn Lloegr ac sy'n cael ei dalu yn unol â'r DCAAY(C) neu'r DCAAY, bydd y corff llywodraethu yn talu'r athro ar y brif ystod cyflog neu'r ystod cyflog uwch, a hynny ar bwynt ar y raddfa sydd o

leiaf yn cynnal hawl blaenorol yr athro i dâl, plws unrhyw ddatblygiad cyflog, y byddai wedi ei gael pe byddai wedi aros yn ei swydd flaenorol.

- 16.1.6. At hynny, os yw'r ymgeisydd llwyddiannus yn athro sydd wedi cael seibiant o'r gwasanaeth, yna gall y corff llywodraethu bennu ei bwynt ar y raddfa yn seiliedig ar ei gyflog terfynol blaenorol a dalwyd yn unol â'r DCAAY(C) neu'r DCAAY. Yn cynnwys unrhyw gynyddran y byddai'r athro wedi bod yn gymwys i'w gael pe byddai wedi parhau yn ei swydd flaenorol ar yr adeg pan newidiodd ei gyflogaeth. Gall Cyrff Llywodraethu roi ystyriaeth i unrhyw brofiad perthnasol a fagwyd yn unrhyw rôl addysgu mewn sector arall yng Nghymru neu awdurdodaeth arall, neu gyfnod o gyflogaeth mewn sector perthnasol y tu allan i faes addysgu.
- 16.1.7. Rhaid i gludadwyedd cyflog rychwantu seibiant yn y gwasanaeth addysgu am resymau iechyd a chymdeithasol, er enghraifft rhesymau mamolaeth/tadolaeth, meddygol neu deuluol. Mewn sefyllfa lle mae'r cyflogwr newydd yn bwriadu cymryd safbwynt gwahanol, rhaid i'r sail ar gyfer gwneud hynny fod yn anwahaniaethol mewn perthynas â deddfwriaeth cydraddoldeb a deddfwriaeth berthnasol arall.
- 16.1.8. Ni fydd y Corff Llywodraethu yn cyfyngu ar yr ystod cyflog a hysbysebir, na'r cyflog cychwynnol na'r rhagolygon ar gyfer datblygiad cyflog o ran swyddi Athrawon dosbarth, heblaw am isafswm y Brif Ystod Cyflog ac uchafswm yr Ystod Cyflog Uwch.
- 16.2. **Datblygiad Cyflog ar gyfer Athrawon sydd ar y Brif Ystod Cyflog ar hyn o bryd**
- 16.2.1. Mae'n rhaid i'r Corff Llywodraethu ystyried yn flynyddol a ddylid cynyddu cyflogau athrawon (ac eithrio Athrawon Newydd Gymhwysu sy'n ymgymryd â'u blwyddyn ymsefydlu) sydd wedi cwblhau blwyddyn o gyflogaeth oddi ar y tro diwethaf i gyflogau gael eu pennu ac, os yw'n penderfynu gwneud hynny, i ba gyflog o fewn yr ystod cyflog berthnasol a bennir yn unol â'r DCAAY(C).
- 16.2.2. Dyfernir datblygiad cyflog i Athrawon yn eu blwyddyn ymsefydlu wedi iddynt gwblhau eu blwyddyn ymsefydlu yn llwyddiannus.
- 16.2.3. Bydd unigolyn wedi cwblhau 'blwyddyn o gyflogaeth' os bydd wedi cwblhau cyfnodau o gyflogaeth sy'n gyfwerth ag o leiaf 26 wythnos, gyda'i gilydd, yn y flwyddyn ysgol flaenorol. I'r dibenion hyn, mae cyfnod cyflogaeth yn para o ddechrau'r wythnos pan fydd y gyflogaeth y cychwyn i ddiwedd yr wythnos pan gaiff y gyflogaeth ei therfynu, ac mae'n cynnwys unrhyw gyfnodau gwyliau ac unrhyw gyfnodau o absenoldeb o'r gwaith o ganlyniad i salwch neu anaf, pa un a yw gwasanaeth yr unigolyn yn ystod y cyfnod hwnnw yn llawn-amser, yn rhan-amser, yn rheolaidd neu fel arall.
- 16.2.4. Mae'n rhaid i'r Corff Llywodraethu ddyfarnu datblygiad cyflog o un pwynt i Athro sydd ar bwyntiau M2 i M6 o'r Brif Raddfa Gyflog wedi iddo gwblhau blwyddyn o gyflogaeth a gwblhawyd yn rôl Athro cymwysedig yn ystod y flwyddyn ysgol flaenorol, oni bai fod yr Athro wedi cael gwybod trwy weithdrefnau medrusrwydd ffurfiol fod ei wasanaeth yn anfodhhaol mewn perthynas â'r flwyddyn honno.

- 16.2.5. Dylai'r cyflog ddatblygu'n flynyddol o 1 Medi, gan dybio o blaid cynnydd oni bai fod yr unigolyn wedi cael ei hysbysu trwy weithdrefnau medrusrwydd ffurfiol fod y gwasanaeth yn anfoddfaol mewn perthynas â'r flwyddyn honno.
- 16.2.6. Gall y Corff Llywodraethu ddyfarnu pwynt ychwanegol i unrhyw Athro ar y Brif Raddfa yr oedd ei berfformiad yn y flwyddyn flaenorol yn rhagorol, yn enwedig mewn perthynas ag addysgu yn yr ystafell ddosbarth.
- 16.2.7. Gellir gwneud penderfyniad i beidio â dyfarnu datblygiad cyflog lle mae'r Athro yn destun gweithdrefnau medrusrwydd ffurfiol.
- 16.2.8. Bydd y Pwyllgor Cyflogau yn cofnodi ei benderfyniad ynghylch datblygiad cyflog yn Natganiad yr Adolygiad Blynyddol o Gyflogau Athrawon yn Atodiad 2. Bydd copi o'r ffurflen hon yn cael ei darparu i'r athro.
- 16.2.9. Os dyfernir datblygiad cyflog, bydd cyflog yr Athro yn cynyddu, a hynny'n weithredol o 1 Medi yn y flwyddyn academaidd gyfredol.
- 16.2.10. Os na ddyfernir datblygiad cyflog, bydd y rhesymeg dros y penderfyniad hwnnw'n cael ei chofnodi yn Natganiad yr Adolygiad Blynyddol o Gyflogau Athrawon. Mae gan yr athro yr hawl i apelio yn erbyn unrhyw benderfyniad i beidio â dyfarnu datblygiad cyflog. Mae'r weithdrefn apelio i'w gweld yn **Atodiad 8**.
- 16.3. **Datblygiad Cyflog ar gyfer Athrawon sydd ar yr Ystod Cyflog Uwch ar hyn o bryd**
- 16.3.1. Mae'n rhaid i'r Corff Llywodraethu ystyried yn flynyddol a ddylid cynyddu cyflogau athrawon (ac eithrio Athrawon Newydd Gymhwysu sy'n ymgymryd â'u blwyddyn ymsefydlu) sydd wedi cwblhau blwyddyn o gyflogaeth oddi ar y tro diwethaf i gyflogau gael eu pennu ac, os yw'n penderfynu gwneud hynny, i ba gyflog o fewn yr ystod cyflog berthnasol a bennir yn unol â'r DCAAY(C).
- 16.3.2. Bydd unigolyn wedi cwblhau 'blwyddyn o gyflogaeth' os bydd wedi cwblhau cyfnodau o gyflogaeth sy'n gyfwerth ag o leiaf 26 wythnos, gyda'i gilydd, yn y flwyddyn ysgol flaenorol. I'r dibenion hyn, mae cyfnod cyflogaeth yn para o ddechrau'r wythnos pan fydd y gyflogaeth y cychwyn i ddiwedd yr wythnos pan gaiff y gyflogaeth ei therfynu, ac mae'n cynnwys unrhyw gyfnodau gwyliau ac unrhyw gyfnodau o absenoldeb o'r gwaith o ganlyniad i salwch neu anaf, pa un a yw gwasanaeth yr unigolyn yn ystod y cyfnod hwnnw yn llawn-amser, yn rhan-amser, yn rheolaidd neu fel arall.
- 16.3.3. Dylai Datblygiad Cyflog ar y raddfa uwch yn y mwyafrif o achosion fod ar sail pob dwy flynedd yn unol â gofynion paragraff 14 o'r DCAAY(C) oni bai bod gweithdrefnau medrusrwydd yn mynd rhagddynt mewn perthynas â'r cyfnod hwnnw.
- 16.3.4. Bydd y Pwyllgor Cyflogau yn cofnodi ei benderfyniad ynghylch datblygiad cyflog yn Natganiad yr Adolygiad Blynyddol o Gyflogau Athrawon sydd yn **Atodiad 2**. Bydd copi o'r ffurflen hon yn cael ei darparu i'r athro.

- 16.3.5. Os dyfernir datblygiad cyflog, bydd cyflog yr Athro yn cynyddu, a hynny'n weithredol o 1 Medi yn y flwyddyn academaidd gyfredol.
- 16.3.6. Os na ddyfernir datblygiad cyflog, bydd y rhesymeg dros y penderfyniad hwnnw'n cael ei chofnodi yn Natganiad yr Adolygiad Blyneddol o Gyflogau Athrawon. Mae gan yr athro yr hawl i apelio yn erbyn unrhyw benderfyniad i beidio â dyfarnu datblygiad cyflog. Mae'r weithdrefn apelio i'w gweld yn **Atodiad 8**.

17. CEISIADAU AM GYFLOG AR YR YSTOD CYFLOG UWCH

- 17.1. Gall Athro cymwysedig wneud cais unwaith bob blwyddyn i gael ei dalu ar yr Ystod Cyflog Uwch, yn unol â'r DCAAY(C) a Pholisi Cyflogau yr Ysgol hon.
- 17.2. Cyfrifoldeb pob Athro yw penderfynu a ddylai gyflwyno cais.
- 17.3. Er mwyn i'r asesiad fod yn gadarn ac yn dryloyw, bydd yn broses sy'n seiliedig ar dystiolaeth.
- 17.4. Bydd yr amcanion personol ar gyfer y cylch gwerthuso sydd ar ddod yn cael eu gosod a'u cadarnhau ar lefel sy'n ddigonol i sicrhau y gellir bodloni'r meini prawf sydd wedi'u cynnwys yn y DCAAY(C) ar gyfer symud ymlaen i'r Ystod Cyflog Uwch, gan gynnwys bod yr Athro yn gymwys iawn ym mhob elfen o'r safonau perthnasol, a bod ei gyflawniadau a'i gyfraniad i'r ysgol yn sylweddol ac yn barhaus.
- 17.5. Gall athrawon sydd wedi bod yn absennol o'r gwaith oherwydd salwch, anabledd neu resymau sy'n gysylltiedig â mamolaeth, ynghyd â'r rheiny nad ydynt yn destun Rheoliadau Gwerthuso 2011 (h.y. athro a gyflogir ar gontract byrdymor o lai nag un tymor), ddyfynnu tystiolaeth ysgrifenedig o gyfnod addas a pherthnasol cyn dyddiad y cais i gefnogi eu cais.
- 17.6. **Proses**
- 17.6.1. Y dyddiad cau ar gyfer cais sydd i'w gyflwyno gan Athro i'w werthuswr yw **(yr ysgol i nodi dyddiad yma – fel arfer cyn diwedd Tymor yr Haf, h.y. 31 Awst)**.
- 17.6.2. Gellir gwneud eithriadau mewn rhai amgylchiadau penodol, e.e. yr Athrawon hynny sydd ar gyfnod mamolaeth neu sy'n absennol oherwydd salwch ar y dyddiad cau ar gyfer cyflwyno ceisiadau. Mewn amgylchiadau o'r fath, gall yr athro ofyn – o leiaf bythefnos cyn y dyddiad cau a nodwyd – am estyniad o hanner tymor ar y mwyaf ar gyfer cyflwyno cais.
- 17.6.3. Mae'r broses ar gyfer cyflwyno cais fel a ganlyn:
- Mae'r athro yn rhoi gwybod i'r gwerthuswr yn ysgrifenedig ei fod yn dymuno cael ei ystyried i ddringo i'r Ystod Cyflog Uwch ac y dylai ei amcanion personol ar gyfer y cyfnod gwerthuso dwy flynedd sydd i ddod adlewyrchu'r cais hwn.

Yn dilyn cwblhau'r cyfnod gwerthuso perthnasol:

- Bydd y gwerthuswr yn llenwi ffurflen asesu, fel y gwelir yn **Atodiad 4**, gan nodi argymhelliad y gwerthuswr mewn perthynas â datblygu i'r Ystod Cyflog Uwch, yn dilyn cwblhau'r cyfnod gwerthuso perthnasol.
- Bydd y Pennaeth yn ystyried argymhelliad y gwerthuswr ac yn gwneud argymhelliad i'r Pwyllgor Cyflogau.
- Bydd y Pwyllgor Cyflogau yn gwneud penderfyniad ynghylch datblygiad cyflog, ar ôl cael cyngor gan y Pennaeth.
- Bydd yr athro yn cael hysbysiad ysgrifenedig o ganlyniad ei gais erbyn 31 Hydref yn y flwyddyn berthnasol.
- Os yw'r cais yn aflwyddiannus, bydd yr hysbysiad ysgrifenedig yn egluro pa feysydd o berfformiad yr Athro nas ystyrir eu bod wedi bodloni'r meini prawf perthnasol a nodir yn y Polisi hwn (gweler "Asesu" isod).
- Os gofynnir amdano, bydd adborth ar lafar yn cael ei roi gan y Pennaeth. Fel arfer, bydd adborth ar lafar yn cael ei roi cyn pen 10 diwrnod gwaith i'r dyddiad y rhoddwyd gwybod am ganlyniad y cais. Bydd adborth yn cael ei roi mewn modd cadarnhaol, a bydd yn cynnwys cyngor a chymorth ynghylch meysydd i'w gwella, er mwyn i'r athro fodloni'r meini prawf perthnasol.
- Os yw'r cais yn llwyddiannus, bydd yr athro yn symud i gam 1 o'r Ystod Cyflog Uwch ar 1 Medi yn y flwyddyn berthnasol, h.y. ar ôl llwyddo i gwblhau'r amcanion a osodwyd yn y flwyddyn academaidd hyd at 31 Awst 2021, bydd yr athro yn symud i'r cam cyntaf ar yr Ystod Cyflog Uwch ar 1 Medi 2021.

17.6.4. Gall ymgeiswyr aflwyddiannus apelio yn erbyn y penderfyniad, fel yr amlinellir yn **Atodiad 8**.

17.7. **Asesu**

17.7.1. Ni fydd cais yn llwyddiannus oni bai fod y Corff Llywodraethu yn fodlon bod holl ofynion y DCAAY(C) wedi'u bodloni, gan gynnwys:

- bod yr athro yn gymwys iawn ym mhob elfen o'r safonau perthnasol; a
- bod cyflawniadau'r athro, a'i gyfraniad at leoliad neu leoliadau addysgol, yn sylweddol ac yn gyson.

17.7.2. At ddibenion y Polisi Cyflogau hwn, bydd y Pwyllgor Cyflogau yn fodlon bod yr Athro wedi bodloni disgwyliadau'r Corff Llywodraethu ar gyfer symud ymlaen i'r Ystod Cyflog Uwch lle bydd meini prawf yr Ystod Cyflog Uwch (gweler **Atodiad 3**) wedi'u bodloni, fel y profwyd gan adolygiad gwerthuso llwyddiannus.

17.7.3. Mae rhagor o wybodaeth, gan gynnwys manylion am ffynonellau tystiolaeth, ar gael ym Mholisi Rheoli Perfformiad yr Ysgol.

18. RÔL YMARFERWR ARWEINIOL

- 18.1. Gall y Corff Llywodraethu greu swyddi Ymarferwyr Arweiniol ar gyfer athrawon sydd â'r prif ddiben o fodelu ac arwain ym maes gwella sgiliau addysgu.
- 18.2. Os bydd y Corff Llywodraethu yn dymuno creu swyddi o'r fath, bydd yn pennu'r cyfrifoldebau a'r ystod cyflog i'r swyddi hyn. Ymgynghorir â'r staff a'r undebau llafur perthnasol ynghylch unrhyw newidiadau arfaethedig o'r fath i'r strwythur staffio.
- 18.3. Polisi'r Corff Llywodraethu fydd penodi unrhyw Athro Ymarferydd Arweiniol newydd i ystod pum pwynt, fel sy'n briodol ym marn y Corff Llywodraethu.
- 18.4. Bydd yr ystod cyflog ar gyfer Ymarferwyr Arweiniol yn cydweddu â'r DCAAY(C), sef isafswm o £43,145 y flwyddyn ar hyn o bryd (h.y. Pwynt Cyflog Arweinwyr 1), ac uchafswm o £65,590 y flwyddyn (h.y. Pwynt Cyflog Arweinwyr 18).
- 18.5. Yn yr Ysgol hon, bydd y Corff Llywodraethu yn defnyddio'r pwyntiau cyflog cyfeirio yn ôl disgrisiwn, fel y nodir yn **Atodiad 1**.
- 18.6. Bydd datblygiad cyflog ar gyfer Ymarferwyr Arweiniol yn cael ei bennu yn unol â'r broses a nodir yn 16.3.1 i 16.3.4 uchod.

19. ATHRAWON HEB GYMHWYSO

- 19.1. Bydd cyflog blynyddol rhwng £18,487 a £29,238 y flwyddyn yn cael ei dalu i athro ar yr ystod cyflog heb gymhwysu. Yn yr Ysgol hon, bydd y Corff Llywodraethu yn defnyddio'r pwyntiau cyflog cyfeirio yn ôl disgrisiwn, fel y nodir yn **Atodiad 1**.
- 19.2. O dan Reoliadau Addysg (Gwaith Penodedig a Chofrestru) (Cymru) 2010, mae yna amgylchiadau penodol lle caiff y rheiny heblaw Athrawon cymwysedig sydd wedi cofrestru gyda Chyngor y Gweithlu Addysgu wneud 'gwaith penodedig'.
- 19.3. Bydd yr ysgol yn cydymffurfio â'r gofynion cyfreithiol hyn, ac ni fydd ond yn cyflogi athrawon heb gymhwysu fel y nodir yn y Rheoliadau hyn.
- 19.4. Gall y Corff Llywodraethu dalu lwfans ychwanegol i Athro heb gymhwysu sy'n bodloni'r meini prawf fel y'u diffinnir yn y DCAAY(C).
- 19.5. Mae'n rhaid i'r Corff Llywodraethu ddyfarnu datblygiad cyflog o un pwynt i Athro sydd ar bwyntiau 1 i 6 o Raddfa Gyflog yr Athrawon heb Gymhwysu wedi iddo gwblhau blwyddyn o gyflogaeth a gwblhawyd yn ystod y flwyddyn ysgol flaenorol, oni bai fod yr Athro wedi cael gwybod trwy weithdrefnau medrusrwydd ffurfiol fod ei wasanaeth yn anfoddhaol mewn perthynas â'r flwyddyn honno.
- 19.6. Bydd unigolyn wedi cwblhau 'blwyddyn o gyflogaeth' os bydd wedi cwblhau cyfnodau o gyflogaeth sy'n gyfwerth ag o leiaf 26 wythnos, gyda'i gilydd, yn y flwyddyn ysgol flaenorol. I'r dibenion hyn, mae cyfnod cyflogaeth yn para o ddechrau'r wythnos pan fydd y gyflogaeth y cychwyn i ddiwedd yr wythnos pan gaiff y gyflogaeth ei therfynu, ac mae'n cynnwys unrhyw gyfnodau gwyliau ac unrhyw gyfnodau o absenoldeb o'r gwaith o ganlyniad i salwch neu anaf, pa un a yw

gwasanaeth yr unigolyn yn ystod y cyfnod hwnnw yn llawn-amser, yn rhan-amser, yn rheolaidd neu fel arall.

- 19.7. Dylai datblygiad cyflog ar Raddfa Gyflog yr Athrawon heb Gymhwysu ddigwydd yn flynyddol o 1 Medi, gan dybio o blaid datblygiad oni bai fod yr unigolyn wedi cael gwybod trwy weithdrefnau galluogrwydd ffurfiol fod ei wasanaeth yn anfoddfaol mewn perthynas â'r flwyddyn honno.
- 19.8. Bydd y Pwyllgor Cyflogau yn cofnodi ei benderfyniad ynghylch datblygiad cyflog yn Natganiad yr Adolygiad Blynyddol o Gyflogau Athrawon yn **Atodiad 2**. Bydd copi o'r ffurflen hon yn cael ei darparu i'r athro heb gymhwyso.
- 19.9. Os dyfernir datblygiad cyflog, bydd cyflog yr Athro heb gymhwyso yn cynyddu, a hynny'n weithredol o 1 Medi yn y flwyddyn academaidd gyfredol.
 - 19.9.1. Gellir gwneud penderfyniad i beidio â dyfarnu datblygiad cyflog lle mae'r Athro yn destun gweithdrefnau medrusrwydd ffurfiol.
- 19.10. Os na ddyfernir datblygiad cyflog, bydd y rhesymeg dros y penderfyniad hwnnw'n cael ei chofnodi yn Natganiad yr Adolygiad Blynyddol o Gyflogau Athrawon. Mae gan yr athro yr hawl i apelio yn erbyn unrhyw benderfyniad i beidio â dyfarnu datblygiad cyflog. Mae'r weithdrefn apelio i'w gweld yn **Atodiad 8**.
- 19.11. Bydd Athro heb gymhwyso sy'n ennill statws athro cymwysedig yn cael ei dalu ar yr ystodau cyflog ar gyfer Athrawon cymwysedig, yn unol â'r Polisi Cyflogau hwn a'r DCAAY(C).

20. LWFANSAU A THALIADAU YN ÔL DISGRESIWN

20.1. Taliadau Cyfrifoldebau Addysgu a Dysgu (CAD)

- 20.1.1. Bydd y Corff Llywodraethu yn dyfarnu taliadau CAD1 a CAD2 i ddeiliaid swyddi fel y nodir yn strwythur staffio'r Ysgol (gweler **Atodiad 10**).
- 20.1.2. Bydd y taliadau hyn yn cael eu dyfarnu i Athrawon sy'n ysgwyddo cyfrifoldeb ychwanegol, sydd wedi'i ddiffinio'n glir ac sy'n barhaus, a hynny yng nghyd-destun strwythur staffio'r Ysgol ac at ddiben sicrhau bod addysgu a dysgu o ansawdd uchel yn parhau i gael eu darparu, ac y gwneir yr Athro yn atebol amdano.
- 20.1.3. Bydd pob swydd-ddisgrifiad yn cael ei adolygu'n rheolaidd ac yn egluro am ba gyfrifoldeb neu becyn o gyfrifoldebau y mae taliad CAD yn cael ei ddyfarnu.
- 20.1.4. Bydd y meini prawf ar gyfer dyfarnu taliad CAD1 a CAD2 yn cydweddu â'r DCAAY(C).
- 20.1.5. Yr ystod ar gyfer CAD1 yw £8,437 i £14,276 y flwyddyn.
- 20.1.6. Yr ystod ar gyfer CAD2 yw £2,924 i £7,140 y flwyddyn.

20.1.7. Yn yr ysgol hon, mae'r taliadau CAD a ddefnyddir ar hyn o bryd fel a ganlyn:

CAD1 – (*manyllion pob CAD1 i'w mewnosod yma gan yr ysgol*)

CAD2 – (*manyllion pob CAD2 i'w mewnosod yma gan yr ysgol*)

20.1.8. Gall y Corff Llywodraethu ddyfarnu taliad CAD3 rhwng £581 a £2,883 y flwyddyn am gyfnod penodol i athro ar gyfer prosiect gwella ysgol sydd â therfyn amser clir, neu ar gyfer cyfrifoldebau allanol untro.

20.1.9. Bydd hyd y cyfnod penodol, a chyfanswm y taliad blynyddol, yn cael eu pennu ar y cychwyn, a bydd taliad yn cael ei wneud yn fisol.

20.1.10. Os bydd y Corff Llywodraethu yn dymuno gwneud taliadau CAD3, bydd y cyfrifoldebau arfaethedig, ynghyd â lefel a hyd y taliad, yn cael eu pennu'n glir yn dilyn ymgynghori â'r staff perthnasol a chynrychiolwyr yr undebau.

20.1.11. Gall athro sy'n cael taliad CAD1 neu daliad CAD2 hefyd gael taliad CAD3 ar yr un pryd.

20.1.12. Ni fydd unrhyw ddiogelu'n berthnasol mewn perthynas â dyfarnu taliad CAD3.

20.1.13. Bydd taliad CAD1 neu CAD2 a ddyfernir i athro rhan-amser yn cael ei ddyfarnu ar sail pro rata, ond lle dyfarnir taliad CAD3 i athro rhan-amser, ni fydd yr egwyddor pro rata yn berthnasol.

20.2. Lwfansau Anghenion Addysgol Arbennig (AAA)

20.2.1. Bydd y Corff Llywodraethu yn dyfarnu lwfansau AAA yn unol â'r meini prawf a'r darpariaethau a nodir yn y DCAAY(C).

20.2.2. Bydd Lwfans AAA, heb fod yn llai na £2,310 y flwyddyn nac yn fwy na £4,558 y flwyddyn, yn daladwy i Athro dosbarth yn unol â'r DCAAY(C).

20.2.3. Yn yr Ysgol hon, y gwerthoedd AAA yw: (*manyllion pob Lwfans/gwerth AAA i'w mewnosod yma gan yr ysgol*)

20.2.4. Wrth benderfynu ar werth lwfans AAA, bydd y Corff Llywodraethu yn ystyried strwythur darpariaeth AAA yr Ysgol, a oes angen unrhyw gymwysterau gorfodol ar gyfer y swydd, cymwysterau neu arbenigedd yr Athro sy'n berthnasol i'r swydd, a gofynion perthynol y swydd.

20.3. Lwfansau Dros Dro

20.3.1. Mae lwfansau dros dro yn daladwy i athrawon y neilltuir dyletswyddau Pennaeth, Dirprwy Bennaeth neu Bennaeth Cynorthwyol iddynt, ac sy'n cyflawni'r dyletswyddau hyn yn unol â'r DCAAY(C).

20.3.2. Cyn pen pedair wythnos o ddechrau dyletswyddau dros dro, bydd y Corff Llywodraethu yn pennu a fydd deiliad y swydd dros dro yn cael lwfans ai peidio. Yn achos absenoldeb maith wedi'i gynllunio, efallai y bydd lwfans dros dro yn cael ei gytuno ymlaen llaw, a'i dalu o ddiwrnod cyntaf yr absenoldeb.

20.3.3. Bydd unrhyw athro sy'n cyflawni dyletswyddau Pennaeth, Dirprwy Bennaeth, neu Bennaeth Cynorthwyol, am gyfnod o bedair wythnos neu fwy, yn cael ei dalu ar bwynt priodol yn ystod cyflog Penaethiaid, ystod cyflog Dirprwy Benaethiaid neu ystod cyflog Penaethiaid Cynorthwyol, fel y pennir gan y Pwyllgor Cyflogau. Bydd taliad yn cael ei ôl-ddyddio i ddechrau'r dyletswyddau, ond bydd fel arfer yn cael ei dalu mewn ôl-daliadau misol.

20.3.4. Efallai y bydd lwfansau dros dro hefyd yn berthnasol i Athrawon sy'n cyflenwi ar gyfer cyd-weithwyr absennol sy'n cael taliad CAD a/neu lwfans AAA.

20.3.5. Gall lwfansau ychwanegol fod yn daladwy i Athrawon heb gymhwyso yn unol â'r DCAAY(C).

20.4. Taliadau Ychwanegol

20.4.1. Ac eithrio yn achos y rheini ar yr ystod arwain, caiff y Corff Llywodraethu wneud taliadau ychwanegol i athro, o ran:

- datblygiad proffesiynol parhaus a wneir y tu allan i'r diwrnod ysgol;
- gweithgareddau sy'n gysylltiedig â darparu hyfforddiant cychwynnol athrawon yn rhan o'r hyn sy'n digwydd fel mater o drefn yn yr Ysgol;
- cymryd rhan mewn gweithgaredd dysgu y tu allan i oriau ysgol y cytunwyd arno rhwng yr Athro a'r Pennaeth; a
- chyfrifoldebau a gweithgareddau ychwanegol yr Athro i ddarparu gwasanaethau ar gyfer codi safonau addysgol un neu ragor o ysgolion ychwanegol, neu mewn perthynas â hynny.

20.5. Buddion Cymhelliad Recriwtio neu Gadw

20.5.1. Gall y corff llywodraethu ddyfarnu cyfandaliadau, taliadau cyfnodol, neu ddarparu cymorth ariannol, cynhaliath neu fuddion eraill ar gyfer cymhelliad recriwtio neu gadw. Wrth benderfynu ar unrhyw ddyfarniadau o'r fath, bydd y Corff Llywodraethu yn ystyried y DCAAY(C) ynghyd â chynghor arbenigol o ran Adnoddau Dynol.

20.5.2. Ni cheir dyfarnu taliad o'r fath i Benaethiaid, Dirprwy Benaethiaid na Phenathiaid Cynorthwyol heblaw i ad-dalu costau adleoli neu gostau tai rhesymol.

20.5.3. Bydd yr holl ystyriaethau eraill o ran recriwtio a chadw staff mewn perthynas â swydd Pennaeth, Dirprwy Bennaeth neu Bennaeth Cynorthwyol yn cael eu hystyried wrth bennu'r ystod cyflog.

20.5.4. Caiff y rheswm dros ddyfarnu unrhyw daliad ychwanegol, hyd disgwylidig unrhyw gymhelliad neu fudd o'r fath, a'r dyddiad adolygu, pan geir eu tynnu'n ôl, ei egluro o'r cychwyn, yn ysgrifenedig.

20.5.5. Bydd y Corff Llywodraethu yn cynnal adolygiad blynyddol o'r holl ddyfarniadau o'r fath.

21. CYFRIFO CYFLOGAU AC AMSER ATHRAWON RHAN-AMSER

- 21.1. Ystyrir bod Athrawon a gyflogir yn barhaus yn yr ysgol ond sy'n gweithio llai nag wythnos waith lawn yn rhai rhan-amser.
- 21.2. Rhoddir datganiad ysgrifenedig i Athrawon rhan-amser sy'n disgrifio eu rhwymedigaethau o ran oriau gwaith a'r mecanwaith safonol a ddefnyddir i bennu eu cyflog, yn amodol ar ddarpariaethau'r trefniadau oriau gwaith a chyflog statudol a thrwy gymharu ag wythnos addysgu amserlen yr Ysgol ar gyfer Athro llawn-amser mewn swydd gyfwerth. Nid yw hyn yn effeithio ar y taliad CAD3, nad yw'n un pro rata ar gyfer staff rhan-amser. Gweler **Atodiad 9** i gael rhagor o wybodaeth.

22. ATHRAWON A GYFLOGIR AR FYR RYBUDD (CYFLENWI)

- 22.1. Bydd athrawon a gyflogir ar sail cyflenwi yn cael eu talu'n ddyddiol, wedi'i gyfrifo yn unol â'r dybiaeth fod blwyddyn waith lawn yn cynnwys 195 o ddiwrnodau; bydd cyfnodau o gyflogaeth sy'n llai na diwrnod yn cael eu cyfrifo ar sail pro rata.
- 22.2. Os yw'r ysgol yn defnyddio asiantaeth, argymhellir ei bod yn ymrwymo i addewid gwirfoddol o ran asiantaethau cyflenwi, lle bydd yn caffael gan asiantaethau a enwir ymhlith Asiantaethau Cyflenwi Cymeradwy fframwaith y Gwasanaeth Caffael Cenedlaethol yn unig, ac yn ymrwymo i dalu cyfradd ddyddiol ofynnol o $M2 \div 194$ diwrnod (o ganlyniad i wyl banc ychwanegol yn 2022). *Yr eithriad fydd, pan na all yr asiantaethau ar fframwaith y Gwasanaeth Caffael Cenedlaethol gyflenwi'r athro â'r sgiliau addas, gall yr ysgol fynd at asiantaethau eraill, ond gydag ymrwymiad i dalu'r gyfradd tâl M2, o leiaf.* Os bydd y Corff Llywodraethu yn pennu nad yw'n dymuno ymrwymo i addewid gwirfoddol o ran asiantaethau cyflenwi, ni fydd y paragraff hwn yn berthnasol

YSTODAU CYFLOG 2021-22

Y Brif Ystod Cyflog:

Pwynt	Gwerth
PYC 2	£27,491
PYC 3	£29,699
PYC 4	£31,987
PYC 5	£34,506
PYC 6	£37,974

Yr Ystod Cyflog Uwch:

Pwynt	Gwerth
YCU 1	£39,368
YCU 2	£40,827
YCU 3	£42,333

Ystod Cyflog Ymarferydd Arweiniol

Pwynt	Gwerth
YA 1	£43,145
YA 2	£44,226
YA 3	£45,330
YA 4	£46,458
YA 5	£47,615
YA 6	£48,809
YA 7	£50,124
YA 8	£51,279

YA 9	£52,560
YA 10	£53,911
YA 11	£55,309
YA 12	£56,584
YA 13	£57,998
YA 14	£59,444
YA 15	£60,923
YA 16	£62,543
YA 17	£63,979
YA 18	£65,590

Ystod Cyflog Athrawon Heb Gymhwyso:

Pwynt	Gwerth
AHG 1	£18,487
AHG 2	£20,637
AHG 3	£22,786
AHG 4	£24,936
AHG 5	£27,088
AHG 6	£29,238

Ystod Cyflog Arweinwyr:

Pwynt	Gwerth
A1	£42,934
A2	£44,008
A3	£45,107
A4	£46,230

A5	£47,381
A6	£48,571
A7	£49,877
A8	£51,029
A9	£52,302
A10	£53,646
A11	£55,038
A12	£56,307
A13	£57,714
A14	£59,153
A15	£60,624
A16	£62,237
A17	£63,665
A18*	£64,620
A18	£65,266
A19	£66,886
A20	£68,543
A21*	£69,544
A21	£70,240
A22	£71,984
A23	£73,766
A24*	£74,847
A24	£75,596
A25	£77,474
A26	£79,391
A27*	£80,553

A27	£81,358
A28	£83,376
A29	£85,441
A30	£87,568
A31*	£88,841
A31	£89,731
A32	£91,961
A33	£94,245
A34	£96,575
A35*	£97,996
A35	£98,976
A36	£101,426
A37	£103,947
A38	£106,520
A39*	£108,035
A39	£109,116
A40	£111,838
A41	£114,632
A42	£117,504
A43	£119,248

* Y pwyntiau hyn, ynghyd â Phwynt A43, yw'r pwyntiau uchaf ar y raddfa ar gyfer yr Ystod yr Wyth Grŵp Penaethiaid

DATGANIAD YR ADOLYGIAD BLYNYDDOL O GYFLOGAU ATHRAWON

Enw:	Rhif Cyflogai:
Ysgol:	Dyddiad Dod i Rym:

MANYLION CYFLOG

Cyflog a Phwynt – Y Brif Ystod Cyflog (C2-C6)	£	Pwynt
Cyflog a Phwynt – Yr Ystod Cyflog Uwch (C1-C3)	£	Pwynt
Cyflog a Phwynt – Ystod Heb Gymhwyso (C1-C6)	£	Pwynt
Cyflog ar Ystod Ymarferydd Arweiniol	£	Pwynt

LWFANSAU

Manylion e.e. dros dro
(gyda dyddiadau
perthnasol), y rheswm
dros y lwfans

Taliadau Cyfrifoldeb Addysgu a Dysgu (Gweler Cyngor y Polisi Cyflogau)) CAD1 / CAD2 / CAD3	CAD____ £
Recriwtio neu Gadw (gweler Cyngor y Polisi Cyflogau)	£
Lwfans Anghenion Addysgol Arbennig (gweler Cyngor y Polisi Cyflogau)	£
Lwfansau Eraill – Nodwch (gweler Cyngor y Polisi Cyflogau)	£
DIOGELU	£
CYFANSWM CYFLOG	£

Cyfarfod y Pwyllgor Cyflogau ar:

Llofnod y Pennaeth/Cadeirydd y Pwyllgor: Dyddiad:

MEINI PRAWF AR GYFER DATBLYGU I'R YSTOD CYFLOG UWCH

1. Rhinweddau Proffesiynol

- 1.1. Yn cyfrannu'n sylweddol, lle y bo'n briodol, at weithredu polisiau ac arferion y gweithle, ac at hyrwyddo cyfrifoldeb ar y cyd am eu gweithredu.

2. Gwybodaeth a Dealltwriaeth Broffesiynol

- 2.1. Yn meddu ar wybodaeth a dealltwriaeth helaeth o sut y mae defnyddio ac addasu amrywiaeth o strategaethau addysgu, dysgu a rheoli ymddygiad, gan gynnwys sut y mae personoli'r dysgu i roi cyfleoedd i bob dysgwr wireddu ei botensial.
- 2.2. Yn meddu ar wybodaeth helaeth a dealltwriaeth drylwyr o'r trefniadau a'r gofynion asesu ar gyfer y pynciau/meysydd cwricwlwm a addysgir ganddynt, gan gynnwys y rheiny sy'n gysylltiedig â chymwysterau ac arholiadau cyhoeddus.
- 2.3. Yn meddu ar wybodaeth a dealltwriaeth gyfredol o'r mathau gwahanol o gymwysterau a manylebau, a'u haddasrwydd i ddiwallu anghenion dysgwyr.
- 2.4. Yn meddu ar wybodaeth a dealltwriaeth fwy datblygedig o'u pynciau/meysydd cwricwlwm a'r addysgeg gysylltiedig, gan gynnwys sut y mae dysgu'n datblygu ynddynt.
- 2.5. Yn meddu ar wybodaeth a phrofiad digon manwl i allu rhoi cyngor ar ddatblygiad a lles plant a phobl ifanc.

3. Sgiliau Proffesiynol

- 3.1. Yn hyblyg, yn greadigol ac yn fedrus wrth gynllunio dilyniannau dysgu mewn gwersi, ac ar draws gwersi, sy'n effeithiol ac sy'n cael eu paru'n dda yn gyson ag amcanion dysgu ac anghenion dysgwyr, ac sy'n integreiddio datblygiadau diweddar, gan gynnwys y rheiny sy'n gysylltiedig â gwybodaeth am y pwnc/cwricwlwm.
- 3.2. Yn meddu ar sgiliau addysgu sy'n arwain at ddysgwyr yn cyflawni'n dda o ystyried eu cyrhaeddiad blaenorol, gan wneud cynnydd sydd cystal â dysgwyr tebyg yn genedlaethol, neu'n rhagori arnynt.
- 3.3. Yn hyrwyddo cydweithio a gweithio'n effeithiol fel aelod o dîm.
- 3.4. Yn cyfrannu at ddatblygiad proffesiynol cyd-weithwyr trwy hyfforddi a mentora, arddangos arfer effeithiol, a rhoi cyngor ac adborth.

ASESIAD O GAIS ATHRO I DDATBLYGU I'R YSTOD CYFLOG UWCH

I'w Lenwi gan Werthuswr yr Athro

Enw'r Athro:	
Swydd:	

Tystiolaeth o'r gwerthusiad diweddaraf
Nodwch pa ddatganiad gwerthuso sydd ynghlwm:

*Wedi bodloni'r meini prawf
(*Dilëir fel sy'n briodol)

*Heb fodloni'r meini prawf

Os na fodlonwyd y meini prawf yn llwyr, rhwch fanylion isod (gan barhau drosodd, os oes angen) o ran pa agweddau ar berfformiad yr athro nad ydynt yn bodloni'r meini prawf:

Llofnodwyd _____ (Gwerthuswr)

Dyddiad: _____

I'W GYFLWYNO I'R PENNAETH

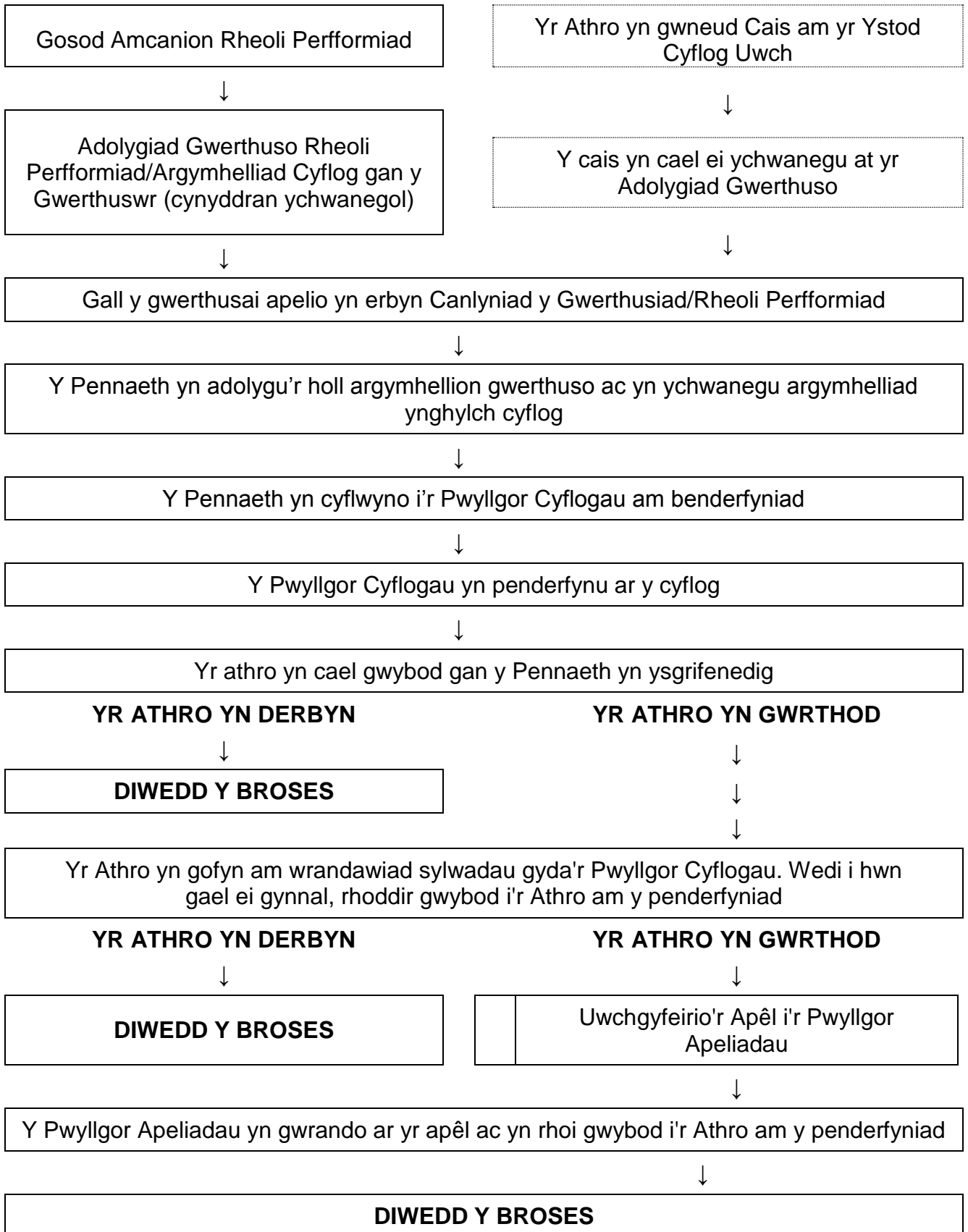
At Ddefnydd yr Ysgol yn Unig

Daeth y ffurflen gais i law ar: _____

Cynhaliwyd yr asesiad ar: _____

gan: _____

**SIART LLIF O'R BROSES ADOLYGU CYFLOGAU
(ac eithrio'r Pennaeth)**



CANLLAWIAU AR GYFLOGAU'R GRŴP ARWAIN

1. Y Pennaeth a'r Tîm Arwain (POB YSGOL)

Mae Graddfa Gyflog Arweinyddiaeth 43 cam statudol wedi cael ei hailgyflwyno. Bydd Pennaethiaid, Dirprwy Bennaethiaid a Phennaethiaid Cynorthwyol yn cael eu talu yn ôl yr hyn a bennir gan y Corff Llywodraethu. Nodir hyn isod:

2. Grwpiau o Ysgolion (POB YSGOL)

Mae yna wyth grŵp o ysgolion wedi'u pennu o sgôr uned yr ysgol. Mae'r DCAAY(C) yn pennu isafswm ac uchafswm gwerth cyflog ar gyfer pob grŵp, ac mae'r cyfraddau cyflog dangosol a gyhoeddir ar y cyd gan y cyflogwyr a'r undebau llafur yn gosod gwerthoedd ynghlwm wrth bwyntiau cyflog unigol o fewn yr ystodau hynny.

Mae'r Corff Llywodraethu wedi sefydlu ystod cyflog saith pwynt ar gyfer y Pennaeth, ac ystod cyflog pum pwynt ar gyfer yr holl swyddi arwain eraill.

3. Sgôr Uned yr Ysgol

a. Pob Ysgol (ac eithrio Ysgolion Arbennig)

Cyfrifir y sgôr uned i bennu grŵp Ysgol, gan ddefnyddio'r fformiwla yn y DCAAY(C). Yn yr Awdurdod hwn*, bydd yr ALI yn ailgyfrifo'r sgôr uned bob blwyddyn, a bydd y canlyniadau'n cael eu cymhwyso o 1 lonawr bob blwyddyn. Os oes gan ysgol sail resymol dros ddisgwyl newid yn niferoedd ei disgyblion, dylai ofyn am ailgyfrifiad gan yr Awdurdod ar yr adeg honno.

* *Dilëwch os nad yw'n briodol*

Gwybodaeth am y modd y mae'r sgôr uned yn cael ei chyfrifo:

Pennir hwn yn ôl niferoedd y disgyblion, fel y'u dangosir ar y ffurflen STATS 1 (cyfrifiad ysgol blyneddol) ddiweddaraf i Lywodraeth Cymru.

Ar gyfer pob disgybl yn y Cyfnod Sylfaen/CA1/CA2	7 uned
Ar gyfer pob disgybl yn CA3	9 uned
Ar gyfer pob disgybl yn CA4	11 uned
Ar gyfer pob disgybl yn CA5	13 uned

Bydd pob disgybl sydd â **datganiad o anghenion addysgol arbennig**, os yw mewn dosbarth arbennig sy'n cynnwys disgyblion o'r fath yn gyfan gwbl neu'n bennaf, yn cyfrif tair uned yn fwy nag y byddai fel arall. Os nad yw'r disgybl mewn dosbarth arbennig o'r fath, dylid cyfrif tair uned dim ond lle y mae'r corff perthnasol yn penderfynu gwneud hynny.

Bydd pob disgybl sy'n mynychu am lai na hanner diwrnod ar bob diwrnod y mae'n mynychu'r ysgol yn cyfrif hanner yr unedau y byddai fel arall yn eu cyfrif.

Cyfanswm y Sgôr Uned	Grŵp Ysgol
Hyd at 1,000	1
1,001-2,200	2
2,201-3,500	3
3,501-5,000	4
5,001-7,500	5
7,501-11,000	6
11,001-17,000	7
17,001 a throsodd	8

b. Sgôr Uned Ddiwygiedig (Ysgolion Arbennig yn Unig)

Cyfrifir y sgôr uned ddiwygiedig i bennu grŵp yr ysgol, gan ddefnyddio'r fformiwla yn y DCAAY(C). Yn yr Awdurdod hwn*, bydd yr ALI yn ailgyfrifo'r sgôr uned bob blwyddyn, a bydd y canlyniadau'n cael eu cymhwyso o 1 lonawr bob blwyddyn. Os oes gan ysgol sail resymol dros ddisgwyl newid yn niferoedd ei disgyblion, dylai ofyn am ailgyfrifiad gan yr Awdurdod ar yr adeg honno.

* Dilëwch os nad yw'n briodol

Mae'n rhaid i ysgol arbennig gael ei neilltuo i grŵp Pennaeth yn unol â'r tabl canlynol trwy gyfeirio at ei sgôr uned ddiwygiedig, a gyfrifir yn unol ag is-adrannau (i) a (ii) isod:

Cyfanswm y Sgôr Uned	Grŵp Ysgol
Hyd at 2,200	2
2,201-3,500	3
3,501-5,000	4
5,001-7,500	5
7,501-11,000	6
11,001-17,000	7
17,001 a throsodd	8

(i) Gwybodaeth am y modd y caiff y gymhareb staff-disgyblion ei chyfrifo

Rhaid i gyfran y staff i ddisgyblion yn yr ysgol gael ei chyfrifo a'i mynegi ar ffurf canran ("y gymhareb staff-disgybl") yn unol â'r fformiwla ganlynol:

$$\frac{A}{B} \times 100$$

ATODIAD 6.

Lle A yw nifer yr Athrawon a'r Staff Cymorth wedi'i bwysoli'n unol ag (a) isod, a B yw nifer y disgyblion yn yr ysgol wedi'i bwysoli'n unol â (b) isod:

- a) Y pwysoliad ar gyfer Athro yw dwy uned am bob Athro cyfwerth ag amser llawn, a'r pwysoliad ar gyfer pob aelod o Staff Cymorth yw un uned am bob unigolyn cyfwerth ag amser llawn; a
- b) Y pwysoliad ar gyfer disgybl llawn-amser yw un uned, a'r pwysoliad ar gyfer disgybl rhan-amser yw hanner uned.

Rhaid i addasydd cymhareb staff-disgybl gael ei gyfrifo yn unol â'r tabl canlynol, trwy gyfeirio at y gymhareb staff-disgybl a bennir yn unol â'r uchod:

Cymhareb Staff-Disgyblion	Addasydd y Gymhareb Staff-Disgyblion
1-20%	1
21-35%	2
36-50%	3
51-65%	4
66-80%	5
81% neu fwy	6

D.S. Ystyr 'aelod o staff cymorth' yw aelod o Staff yr ysgol nad yw'n:

- Athro;
- Unigolyn a gyflogir mewn perthynas â darparu prydau bwyd;
- Unigolyn a gyflogir mewn perthynas â diogelu neu gynnal a chadw adeiladau'r ysgol; neu
- Unigolyn a gyflogir mewn ysgol breswyl i oruchwylio a gofalu am blant y tu allan i oriau ysgol.

(ii) Gwybodaeth am y modd y caiff cyfanswm y sgôr uned ddiwygiedig ei gyfrifo

Pennir y cyfanswm hwn yn ôl niferoedd y disgyblion, fel y'u dangosir ar y ffurflen STATS 1 (cyfrifiad ysgol blynyddol) ddiweddaraf i Lywodraeth Cymru.

Rhaid i'r corff perthnasol bennu cyfanswm sgôr uned yr ysgol yn unol â nifer y disgyblion ar gofrestr yr ysgol, a gyfrifir fel a ganlyn:

Cyfnod Allweddol	Unedau Fesul Disgybl
Ar gyfer pob disgybl yn y Cyfnod Sylfaen, CA1 a CA2	10
Ar gyfer pob disgybl yn CA3	12
Ar gyfer pob disgybl yn CA4	14
Ar gyfer pob disgybl yn CA5	16

Rhaid i'r corff perthnasol bennu cyfanswm diwygiedig sgôr uned yr ysgol trwy luosi cyfanswm sgôr uned yr ysgol a bennwyd o dan yr adran hon (h.y. yn unol â'r tabl uchod) ag addasydd y gymhareb staff-disgybl a gyfrifwyd o dan adran 3.

D.S. Os caiff y Pennaeth ei benodi'n Bennaeth ar fwy nag un ysgol ar sail barhaol, rhaid i gorff perthnasol ysgol wreiddiol y Pennaeth, neu, o dan y Rheoliadau Cydweithredu (5), y corff cydweithredol, gyfrifo grŵp y Pennaeth trwy gyfuno sgôr uned yr holl ysgolion y mae'r Pennaeth yn gyfrifol amdanynt er mwyn canfod cyfanswm y sgôr uned, sydd wedyn yn pennu grŵp y Pennaeth.

4. Penodi Arweinwyr Newydd/Newidiadau i Strwythurau Cyflogau Arweinwyr presennol – Proses Tri Cham (POB YSGOL)

Dylai'r Corff Llywodraethu ddilyn y broses tri cham wrth bennu'r cyflog ar gyfer penodiadau newydd neu ddiwygio strwythurau cyflogau presennol o ran y Pennaeth neu'r tîm arwain ehangach.

Cam 1 – Diffinio'r rôl a phennu'r grŵp Pennaeth

Cam 2 – Gosod yr ystod cyflog ddangosol

Cam 3 – Penderfynu ar y cyflog cychwynol a'r ystod cyflog unigol

Dylai'r holl benderfyniadau a'r rhesymau drostynt gael eu cofnodi'n drylwyr ar bob cam. Rhaid i bob penderfyniad ynghylch cyflogau gael ei wneud yn unol â meini prawf gwrthrychol, er mwyn sicrhau nad oes unrhyw effaith wahaniaethol ar unrhyw grŵp o Athrawon sydd â nodwedd warchoddedig benodol o dan Ddeddf Cydraddoldeb 2010.

Awgrymir bod ysgolion yn gofyn am gyngor wrth gyfrifo a chofnodi penderfyniadau ynghylch strwythur cyflogau arweinwyr.

Cam 1 – Diffinio'r Rôl a Phennu Grŵp y Pennaeth

Ar y cam hwn, dylai'r Corff Llywodraethu ddiffinio'r swydd a nodi'r ystod cyflog gyffredinol fel canllaw i bennu'r lefel briodol o gyflog. Bydd angen i'r Corff Llywodraethu ddiffinio a nodi rôl, cyfrifoldebau ac atebolrwydd penodol y swydd, yn ogystal â'r sgiliau a'r cymwyseddau perthnasol sy'n ofynnol.

Ar gyfer swyddi Penaethiaid, bydd y Corff Llywodraethu yn neilltuo Ysgol i grŵp Pennaeth (fel y diffinnir yn 3 uchod), a fydd yn pennu'r ystod cyflog briodol fel yr amlinellir isod:

Maint y Grŵp	Ystod y Camau	Ystod Cyflog (DCAAY(C) 2021)
1	L6 - L18*	£48,571 - £64,620
2	L8 - L21*	£51,029 - £69,544
3	L11 - L24*	£55,038 - £74,847
4	L14 - L27*	£59,153 - £80,553
5	L18 - L31*	£65,266 - £88,841
6	L21 - L35*	£70,240 - £97,996
7	L24 - L39*	£75,596 - £108,035
8	L28 - L43	£83,376 - £119,248

Ar gyfer swyddi eraill yn y grŵp arwain, dylai'r Corff Llywodraethu ystyried y modd y mae'r rôl yn cyd-fynd â strwythur arwain ehangach yr Ysgol. Ni ddylai'r ystod cyflog ar gyfer Dirprwy Bennaeth neu Bennaeth Cynorthwyol orgyffwrdd ag ystod cyflog y Pennaeth heblaw **mewn amgylchiadau eithriadol**.

Cam 2 – Pennu'r Ystod Cyflog Ddangosol

Ar y cam hwn, bydd angen i'r Corff Llywodraethu ystyried cymhlethdod a her y rôl yng nghyd-destun penodol yr Ysgol, a gwneud penderfyniad ynghylch cyflog yng ngoleuni hyn.

Ar gyfer swyddi Penaethiaid, disgwylir y bydd y Corff Llywodraethu fel arfer yn dod i'r casgliad bod cyfanswm y sgôr uned yn llwyr gyfleu cymhlethdod rôl y Pennaeth, a bod yr ystod cyflog berthnasol yn cynnwys lefelau priodol o dâl, yn unol â'r DCAAY(C). Bydd angen i'r Corff Llywodraethu ystyried a ddylai'r ystod cyflog ddangosol ddechrau ar isafswm grŵp y Pennaeth, neu a yw'n dymuno i'r ystod ddechrau ar lefel uwch oherwydd lefel yr her sy'n gysylltiedig â'r swydd.

Fodd bynnag, mae'n bosibl y bydd yna amgylchiadau lle ceir ffactorau ychwanegol sy'n awgrymu y dylai'r ystod cyflog ddangosol fod yn uwch na'r hyn a fyddai'n cael ei ddarparu gan y cyfrifiad sylfaenol yng Ngham 1.

Dyma rai enghreifftiau o ffactorau ychwanegol i'w hystyried (nid yw'r rhestr hon yn cynnwys pob posibilrwydd):

ATODIAD 6.

- Y cyd-destun a'r her a gyflwynir gan anghenion disgyblion e.e. os oes llawer o amddifadedd yn y gymuned (hawl i Brydau Ysgol am Ddim a/neu Saesneg fel Iaith Ychwanegol) neu niferoedd uchel o blant sy'n derbyn gofal neu blant ag Anghenion Dysgu Ychwanegol, ac mae hyn yn effeithio ar yr her mewn perthynas â gwella deilliannau;
- Llawer iawn o gymhlethdod a her, e.e. atebolrwydd am nifer o ysgolion neu reoli ar draws nifer o safleoedd gwasgaredig, sy'n mynd yn eithaf pell y tu hwnt i'r hyn a ddisgwylir gan unrhyw Bennaeth ysgol(ion) o faint tebyg, ac nad yw eisoes wedi'i adlewyrchu yng nghyfanswm y sgôr uned a ddefnyddiwyd yng ngham 1;
- Atebolrwydd ychwanegol nas adlewyrchwyd yng ngham 1, e.e. arwain cynghrair ysgol addysgu; a
- Ffactorau a all amharu ar allu'r ysgol i ddenu ymgeiswyr â phrofiad a chymwysterau priodol ar gyfer swyddi arwain, e.e. lleoliad, cyfrwng iaith, maes pwnc/arbenigedd a/neu lefel o gymorth gan y tîm arwain ehangach.

Gall y Corff Llywodraethu bennu'r ystod cyflog ddangosol gydag **uchafswm hyd at 25% uwchlaw lefel uchaf ystod y grŵp Pennaeth perthnasol.**

Uwchlaw'r terfyn hwnnw, rhaid cael cyngor annibynnol allanol ac, os bydd y cyngor yn awgrymu bod ystod sy'n uwch na'r terfyn hwn yn briodol, rhaid i'r Corff Llywodraethu llawn lunio achos busnes, a chytuno arno.

Dylai'r Corff Llywodraethu sicrhau nad oes unrhyw beth yn cael ei gyfrif ddwywaith, e.e. o ran pethau a ystyriwyd yng ngham 1, megis cyfrifoldeb am ysgol ychwanegol a adlewyrchwyd eisoes yng nghyfanswm y sgôr uned; neu o ran defnyddio dangosyddion sy'n gorgyffwrdd, fel Prydau Ysgol am Ddim a'r premiwm disgybl.

NI DDYLAI'R Corff Llywodraethu gynyddu cyflog sylfaenol na thalu lwfans ychwanegol am gydweithio lleol rheolaidd sy'n rhan o rôl pob Pennaeth.

Ar gyfer rolau arwain eraill, mae'r broses yn eithaf tebyg. Bydd y Corff Llywodraethu yn dymuno ystyried y modd y dylai'r rolau arwain eraill gael eu pennu yn unol â'r lefel a bennwyd ar gyfer y Pennaeth, gan sicrhau bod digon o le i ddatblygu cyflog. Dylid hefyd ystyried unrhyw swyddi addysgu ac iddynt lwfansau ychwanegol.

Ar ddiwedd y cam hwn, dylai'r Corff Llywodraethu benderfynu lle yn yr ystod eang i bennu'r ystod cyflog ddangosol, gan nodi hyn yn glir wrth hysbysebu'r swydd. Dylid gwneud penderfyniad cyffredinol ynghylch safle ac ehangder yr ystod, gan sicrhau bod lle priodol i ddatblygu cyflog dros amser.

Dylai fod trywydd archwilio clir ar gyfer pob penderfyniad a wneir, a'r rhesymau drosto.

Disgwylir hefyd, lle y bo'n bosibl, y bydd yr Ysgol yn ymgymryd â phroses o feincodi cyflogau cyn pennu'r ystod cyflog ar gyfer swydd Pennaeth neu swyddi arwain eraill.

Yn achos y ffactorau hynny nad oes disgwyl iddynt barhau, fel cyfrifoldeb dros dro am ysgol ychwanegol, dylid adlewyrchu'r rhain trwy lwfans yn hytrach na'u cyfuno yn yr ystod cyflog ddangosol.

Cam 3 – Penderfynu ar y cyflog cychwynnol a'r Ystod Cyflog Unigol ar gyfer penodiadau newydd

Mae'r ddau gam cyntaf yn fodd i bennu'r ystod cyflog briodol. I bob pwrpas, diben y trydydd cam yw penderfynu ar y cyflog cychwynnol ar gyfer yr unigolyn y cynigir y swydd iddo.

Ar y cam hwn, bydd y Corff Llywodraethu yn ffafrio ymgeisydd ar gyfer y swydd, a bydd yn dymuno pennu'r cyflog cychwynnol ynn ngoleuni ffactorau sy'n benodol i'r ymgeisydd, er enghraifft i ba raddau y mae'r ymgeisydd yn bodloni gofynion penodol y swydd.

Bydd yn bwysig sicrhau bod yna le i ddatblygu cyflog ar sail perfformiad dros amser.

Rhaid sicrhau bod yna drywydd archwilio clir ar gyfer unrhyw gyngor a roddir, yn ogystal â chofnod llawn a chywir o'r holl benderfyniadau a wneir, a'r rhesymau drostynt.

5. Sefydlu Ystod Cyflog uwchlaw Grŵp Pennaeth yr Ysgol (POB YSGOL)

Disgwylir y bydd yr ystod cyflog fel arfer o fewn terfynau grŵp y Pennaeth. Fodd bynnag, mewn rhai achosion, e.e. lle gall fod anhawster mawr i benodi, neu lle bydd angen cymell Pennaeth i dderbyn cyfrifoldeb am ysgol fawr iawn neu i arwain sawl ysgol fawr, gall fod yn briodol ystyried estyn yr ystod cyflog unigol.

Mewn achosion o'r fath, gall y Corff Llywodraethu benderfynu y gall uchafswm yr ystod cyflog fod uwchlaw uchafswm grŵp y Pennaeth, **hyd at 25% yn ychwanegol**.

Os ystyrir bod yna amgylchiadau eithriadol sy'n gwarantu estyniad y tu hwnt i'r terfyn hwnnw, bydd achos busnes yn ofynnol. Bydd angen i'r Corff Llywodraethu geisio cyngor annibynnol allanol gan unigolyn neu gorff priodol, a all ystyried pa un a ellir cyfiawnhau mynd uwchlaw'r terfyn mewn achos penodol ai peidio.

Rhaid sicrhau bod yna drywydd archwilio clir ar gyfer unrhyw gyngor a roddir, yn ogystal â chofnod llawn a chywir o'r holl benderfyniadau a wneir, a'r rhesymau drostynt.

6. Taliadau Dros Dro i Benaethiaid (POB YSGOL)

Gall y Corff Llywodraethu ystyried tâl ychwanegol i'r Pennaeth am gyfrifoldebau a dyletswyddau ychwanegol sy'n amlwg yn rhai dros dro, neu ddyletswyddau sy'n ychwanegol at y swydd y pennwyd ei gyflog ar ei chyfer, e.e. os yw'n darparu gwasanaethau i ysgolion eraill. Yn cynnwys achosion lle caiff y Pennaeth ei benodi'n Bennaeth Dros Dro ar un neu ragor o ysgolion ychwanegol, ac nad yw hyn wedi'i gynnwys yn ffactor parhaol wrth gyfrifo'r ystod cyflog.

7. Diogelu Cyflog (POB YSGOL)

Os caiff yr Ysgol ei neilltuo i grŵp is, neu os bydd y Corff Llywodraethu yn dewis lleihau'r ystod cyflog arweinwyr, bydd gan yr aelod o staff yr hawl i gael swm wedi'i ddiogelu am hyd at dair blynedd, yn amodol ar y DCAAY(C).

FFURFLEN ADOLYGU FLYNYDDOL AR GYFER
PENNAETH/DIRPRWY BENNAETH/PENNAETH CYNORTHWYOL
(Medi 20___)

Enw: _____	Rhif Cyflogai: _____
Ysgol: _____	

* **Pennaeth:**

Grŵp Ysgol: _____ Ystod Cyflog y Pennaeth: £ _____ i £ _____

* **Dirprwy Bennaeth/Pennaeth Cynorthwyol:**

Ystod Cyflog: £ _____ i £ _____

Cyflog a Phwynt ym mis Awst 20___: £ _____ Pwynt: _____

Y rhesymeg a ddefnyddiwyd i bennu'r cyflog:

Cyflog a Phwynt Diwygiedig ym mis Medi 20___: £ _____ Pwynt: _____

Ardystiwyd gan Gadeirydd y Llywodraethwyr / y
Pwyllgor Cyflogau: _____

Ardystiwyd gan y Pennaeth: _____ Dyddiad: _____

* **Dilëir fel sy'n briodol**

Y BROSES APELIADAU CYFLOG

Mae'r Corff Llywodraethu yn ymrwymedig i sicrhau yr ymdrinnir ag apeliodau yn erbyn penderfyniadau ynghylch cyflogau yn gyflym, yn deg ac mewn modd sy'n gyson â deddfwriaeth ar gydraddoldeb a deddfwriaeth berthnasol arall, yn ogystal â'r DCAAY(C).

Gall athrawon, gan gynnwys Penaethiaid, apelio yn erbyn unrhyw benderfyniad mewn perthynas â'u cyflog, neu unrhyw benderfyniad arall a wneir gan y Corff Llywodraethu (neu Bwyllgor neu unigolyn sy'n gweithredu ag awdurdod dirprwyedig) sy'n effeithio ar eu cyflog.

Gall y rhesymau dros apelio gynnwys y canlynol, ymhlith rhesymau eraill. Bod yr unigolyn neu'r Pwyllgor a wnaeth y penderfyniad:

- a) wedi cymhwyso darpariaeth y DCAAY(C) yn anghywir;
- b) wedi methu ystyried y canllawiau statudol yn briodol;
- c) wedi methu ystyried y dystiolaeth berthnasol yn briodol;
- d) wedi ystyried dystiolaeth amherthnasol neu anghywir;
- e) yn unochrog; neu
- f) wedi gwahaniaethu'n anghyfreithlon fel arall yn erbyn yr athro.

Yn achos y gwrandawriad sylwadau a'r gwrandawriad apêl, mae hawl gan yr athro i gael cydweithiwr neu gynrychiolydd undeb llafur gydag ef.

Nid yw hon yn broses gylchol. Gall Athro ddewis mynd trwy bob un o'r tri cham, neu gall ddewis mynd yn syth i Apêl Cam 3. Os bydd unigolyn yn dymuno symud ymlaen yn syth i gam 3 o'r broses, yna fe'i cynghorir i ofyn am gyngor gan gynrychiolydd o'r Undeb Athrawon ar y cyfle cyntaf

Cam 1 – Trafodaeth Anffurfiol

Mae gan Athro sy'n anfodlon ar argymhelliad ynghylch cyflog y cyfle i drafod yr argymhelliad â'i werthuswr neu'r Pennaeth, a hynny cyn i'r argymhelliad gael ei weithredu a chyn i'r Ysgol gadarnhau'r penderfyniad.

Os bydd yr Athro, ar ôl cael trafodaeth anffurfiol â'r unigolyn sy'n gwneud yr argymhelliad ynghylch cyflog o'r farn bod argymhelliad anghywir wedi'i wneud, gall gyflwyno ei sylwadau i Bwyllgor Cyflogau y Corff Llywodraethu (gweler Cam 2 isod).

Cam 2 – Gwrandawriad Sylwadau

1. Bydd yr Athro yn cael hysbysiad ysgrifenedig o'r penderfyniad ynghylch ei gyflog ac, os yw'n berthnasol, bydd yn cael gwybod ar ba sail y gwnaed y penderfyniad. Bydd y Pwyllgor Cyflogau yn sicrhau bod yr athro yn ymwybodol o'r broses ar gyfer cyflwyno sylwadau ac apelio yn erbyn y penderfyniad, os yw'n briodol.
2. Os bydd yr Athro yn dymuno cyflwyno sylwadau, dylai wneud hynny'n ysgrifenedig i Glerc y Llywodraethwyr cyn pen 10 diwrnod ysgol ar ôl cael gwybod am y penderfyniad. Yr Athro sydd i benderfynu a fydd yn gofyn am wrandawriad sylwadau.

ATODIAD 8.

3. Bydd Clerc y Llywodraethwyr yn trefnu bod gwrandawriad sylwadau yn cael ei gynnal cyn gynted â phosibl, a fydd yn cael ei gadeirio gan y Pwyllgor Cyflogau. Efallai y bydd gofyn i'r Pennaeth fynd i'r gwrandawriad i egluro ar ba sail y gwnaed yr argymhelliad.
4. Bydd yr athro yn cael rhwng 5 a 10 diwrnod ysgol o rybudd am y gwrandawriad sylwadau. Gall yr athro fynd i'r gwrandawriad i gyflwyno tystiolaeth, i alw ar dystion, ac i ofyn cwestiynau i'r Pwyllgor Cyflogau.
5. Bydd y Pwyllgor Cyflogau yn penderfynu a ddylid diwygio'r penderfyniad gwreiddiol, a bydd yn ysgrifennu at yr athro i roi gwybod am y canlyniad o fewn 5 diwrnod ysgol ar ôl gwneud y penderfyniad.
6. Os bydd yr Athro yn dal i fod yn anfodlon, gall apelio yn erbyn y penderfyniad hwn cyn pen 10 diwrnod ysgol ar ôl cael y llythyr yn rhoi gwybod iddo am y canlyniad gan y Pwyllgor, a hynny trwy symud ymlaen i Gam 3 y broses.

Cam 3 – Gwrandawriad Apêl

1. Dylai'r Athro nodi'n glir yn ysgrifenedig ar ba sail y mae'n apelio yn erbyn y penderfyniad, ac yna anfon y llythyr at Clerc y Llywodraethwyr cyn pen 10 diwrnod ysgol ar ôl cael y canlyniad ysgrifenedig.
2. Bydd Clerc y Llywodraethwyr yn trefnu bod gwrandawriad apêl yn cael ei gynnal cyn gynted â phosibl, ond fel arfer cyn pen 20 diwrnod ysgol ar ôl cael y llythyr yn rhoi gwybod iddo am yr apêl.
3. Dylai'r athro gael rhwng 5 a 10 diwrnod ysgol o rybudd am y gwrandawriad.
4. Dylai'r apêl gael ei chlywed gan y Pwyllgor Apeliadau Cyflogau, sy'n cynnwys o leiaf dri llywodraethwr cymwys nad oeddent yn rhan o'r penderfyniad gwreiddiol, neu os oedd y Pwyllgor Cyflogau gwreiddiol yn cynnwys mwy na thri aelod, gan yr un faint o leiaf â nifer yr aelodau ar y Pwyllgor Cyflogau hwnnw.
5. Bydd penderfyniad y Pwyllgor Apeliadau Cyflogau yn derfynol.
6. Ymhlith y rhai y mae'n ofynnol iddynt fod yn bresennol yn y gwrandawriad apêl y mae:
 - Y Cadeirydd ac aelodau eraill y Pwyllgor Apeliadau
 - Yr Athro a'i gynrychiolydd neu gyd-weithiwr (os oes rhywun gyda'r Athro)
 - Tystion ar gyfer ochr y cyflogai (os yw'n briodol)
 - Aelod o'r Pwyllgor Cyflogau gwreiddiol, a fydd yn egluro'r rhesymau dros y penderfyniad gwreiddiol
 - Tystion ar gyfer yr ochr reoli (os yw'n briodol)
 - Clerc y gwrandawriad
 - Yr Ymgynghorydd Adnoddau Dynol, er mwyn rhoi cyngor i'r Pwyllgor Apeliadau (yn amodol ar ddarpariaethau unrhyw Gytundeb Lefel Gwasanaeth)

Gweithdrefn enghreifftiol ar gyfer cyfarfodydd apêl ffurfiol

Bydd y Cadeirydd yn cyflwyno pawb, ynghyd â'u rôl yn y trafodion.

- Bydd yr Athro yn cyflwyno ei achos, gan gynnwys unrhyw dystiolaeth i'w hystyried ac unrhyw dystion y mae wedi galw arnynt;
- Gall aelodau'r Pwyllgor Apeliadau Cyflogau ofyn cwestiynau i'r Athro, a gall cynrychiolydd y Pwyllgor Cyflogau ofyn cwestiynau hefyd;
- Bydd cynrychiolydd y Pwyllgor Tâl yn datgan ei achos gan gynnwys y dystiolaeth a oedd yn sail i'r penderfyniad ac unrhyw dystion i gefnogi'r achos, os yw'n briodol
- Gall aelodau'r Pwyllgor Apeliadau Cyflogau ofyn cwestiynau i gynrychiolydd y Pwyllgor Cyflogau, a gall yr Athro ofyn cwestiynau hefyd;
- Gall y ddwy ochr wneud datganiad cloi os dymunant (yr athro yn gyntaf, ac wedyn cynrychiolydd y Pwyllgor Cyflogau). Ni ellir cyflwyno tystiolaeth newydd ar y cam hwn;
- Bydd y ddau barti yn gadael y gwrandawriad.
- Gall y Pwyllgor Apeliadau Cyflogau ofyn i'r Ymgynghorydd Adnoddau Dynol am gyngor (os yw'n berthnasol). Ar ôl i'r cyngor hwn gael ei roi, bydd yr Ymgynghorydd Adnoddau Dynol yn gadael y gwrandawriad ond gellir ei alw'n ôl i roi cyngor pellach (os yw'n berthnasol);
- Bydd y Pwyllgor Apeliadau Cyflogau yn ystyried yr holl dystiolaeth ac yn dod i benderfyniad terfynol;
- Bydd y Pwyllgor Apeliadau Cyflogau yn galw'r ddwy ochr yn ôl er mwyn rhoi gwybod i'r Athro am y penderfyniad (os yw'n aros am benderfyniad) neu, bydd yn dweud wrth y Clerc am ysgrifennu at yr Athro ar ran y Pwyllgor i'w hysbysu ynghylch y penderfyniad, a'r rhesymau drosto; a
- Bydd y Clerc yn rhoi gwybod i'r Awdurdod Lleol am y newid cyflog, os yw hynny'n briodol.

CYFRIFO CYFLOGAU AC AMSER ATHRAWON RHAN-AMSER

Mae'n rhaid i Athro rhan-amser gael Amserlen Wythnosol Athrawon Ysgol (AWAY), ac mae'n rhaid talu cyfan o'r amserlen hon iddo.

Mae'n rhaid i bob ysgol greu AWAY ar gyfer pob Athro. Mae'r amserlen hon yn cyfeirio at oriau sesiynau ysgol sydd wedi'u hamserlennu ar gyfer addysgu, gan gynnwys CPA ond ac eithrio amseroedd egwyl, cofrestru a gwasanaethau.

Yna bydd Athrawon rhan-amser yn cael eu talu yn ôl eu hamser addysgu gwirioneddol, ac eithrio cofrestru, gwasanaethau ac egwyliau.

Er enghraifft:

Os yw'r diwrnod ysgol, ac eithrio cofrestru a gwasanaeth, yn para rhwng 9.00am a 12.15pm, ac eto rhwng 1.15pm a 3.30pm, gydag un egwyl 15 munud yn sesiwn y bore ac un egwyl 15 munud yn sesiwn y prynhawn, byddai'r AWAY ar gyfer Athro llawn-amser yn 25 awr. Pe bai Athro rhan-amser yn cael ei gyflogi ar gyfer y bore yn unig, gan weithio rhwng 9.00am a 12.15pm bob dydd, byddai canran yr wythnos addysgu a amserlennir yn cael ei chyfrifo'n 15 awr. Dangosir hyn isod:

	Sesiwn y bore (llai egwyliau, cofrestru a gwasanaethau)	+	Sesiwn y prynhawn (llai egwyliau, cofrestru a gwasanaethau)	x	Nifer y Diwrnodau yn yr Amserlen	=	AWAY	% yr AWAY
Llawn- amser	3 awr	+	2 awr	x	5 diwrnod	=	25 awr	100%
Rhan- amser	3 awr			x	5 diwrnod	=	15 awr	60%

Rhaid cynnwys **Amser CPA ac Amser Rheoli** wrth gyfrifo amser cyswllt dosbarth.

Amser dan Gyfarwyddyd – gall Pennaeth ddyrannu amser dan gyfarwyddyd i Athrawon rhan-amser (gydag amodau) fel cyfran o swydd gyfwerth ag amser llawn 1258.5. Gall Athrawon rhan-amser 'nawr gael eu cyfarwyddo i gyflenwi ar gyfer egwyliau, gwasanaethau ac amseroedd cofrestru, a hynny fel rhan o'u dyletswyddau dan gyfarwyddyd.

Ni ellir mynnu bod athrawon rhan-amser ar gael i weithio (naill ai ar gyfer dyletswyddau addysgu neu ddyletswyddau eraill) ar ddiwrnodau nad ydynt fel arfer yn gweithio. Fodd bynnag, gallant weithio trwy gydgytundeb â'r Pennaeth. Dylai unrhyw oriau ychwanegol o ganlyniad i hyn gael eu talu yn unol â chyflog arferol yr Athro.

Efallai y bydd gofyn i Athrawon rhan-amser gyflawni dyletswyddau, heblaw addysgu disgyblion, y tu allan i sesiynau'r ysgol ar y diwrnod y mae'n ofynnol i'r Athro fod ar gael i weithio fel arfer (pa un a yw'n ofynnol i'r Athro fod ar gael i weithio am y diwrnod cyfan neu am ran o'r diwrnod hwnnw fel arfer). Gall hyn fod yn rhan o'r amser dan gyfarwyddyd.

STRWYTHUR STAFFIO YR YSGOL

(Yr Ysgol i nodi manylion isod fel sy'n berthnasol ar yr adeg y bydd y Polisi Cyflogau hwn yn cael ei fabwysiadu gan y Corff Llywodraethu)