

TUESDAY, 27 SEPTEMBER 2022

TO: ALL MEMBERS OF THE CABINET

I HEREBY SUMMON YOU TO ATTEND A **MULTI LOCATION** MEETING OF THE **CABINET** WHICH WILL BE HELD IN THE **CHAMBER - COUNTY HALL, CARMARTHEN. SA31 1JP AND REMOTELY AT 10.00 AM, ON MONDAY, 3RD OCTOBER, 2022** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA

Wendy Walters

CHIEF EXECUTIVE

Democratic Officer:	Kevin Thomas
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Wendy Walters Prif Weithredwr, *Chief Executive*,
Neuadd y Sir, Caerfyrddin. SA31 1JP
County Hall, Carmarthen. SA31 1JP

CABINET

MEMBERSHIP – 10 MEMBERS

Councillor	Portfolio
Councillor Darren Price	Leader
Councillor Linda Evans	Deputy Leader and Cabinet Member for Homes
Councillor Glynog Davies	Education and Welsh Language
Councillor Ann Davies	Rural Affairs and Planning Policy
Councillor Philip Hughes	Organisation and Workforce
Councillor Gareth John	Regeneration, Leisure, Culture and Tourism
Councillor Alun Lenny	Resources
Councillor Edward Thomas	Transport, Waste and Infrastructure Services
Councillor Jane Tremlett	Health and Social Services
Councillor Aled Vaughan Owen	Climate Change, Decarbonisation and Sustainability

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF PERSONAL INTEREST**
- 3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE CABINET HELD ON THE:**
 - 3 .1 18TH JULY 2022** 5 - 14
 - 3 .2 25TH JULY 2022** 15 - 20
- 4. QUESTIONS ON NOTICE BY MEMBERS**
 - 4 .1 QUESTION BY COUNCILLOR TINA HIGGINS TO COUNCILLOR ANN DAVIES - CABINET MEMBER FOR RURAL AFFAIRS AND PLANNING POLICY**

“Would you be able to provide me with an update including details of the work undertaken, the outcomes and the next steps of the Black, Asian and Minority Ethnic (BAME) Task and Finish Panel. Please also either supply me with an email copy or provide me with the link to the where I can find the finished report.”
- 5. PUBLIC QUESTIONS ON NOTICE**
- 6. REVENUE BUDGET OUTLOOK** 21 - 38
- 7. COUNCIL'S REVENUE BUDGET MONITORING REPORT** 39 - 66
- 8. CAPITAL PROGRAMME 2022/23 UPDATE** 67 - 78
- 9. TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT 1ST APRIL 2022 TO 30TH JUNE 2022** 79 - 96
- 10. COST OF LIVING** 97 - 120
- 11. EDUCATION & CHILDREN SCRUTINY COMMITTEE TASK & FINISH GROUP REPORT: SCHOOL ORGANISATION CONSULTATION PROCESS** 121 - 144
- 12. OMBUDSMAN'S ANNUAL LETTER 2021/2022 CARMARTHENSHIRE COUNTY COUNCIL** 145 - 160
- 13. ANY OTHER ITEMS OF BUSINESS THAT BY REASONS OF SPECIAL CIRCUMSTANCES THE CHAIR DECIDES SHOULD BE CONSIDERED AS A MATTER OF URGENCY PURSUANT TO SECTION 100B(4)(B) OF THE LOCAL GOVERNMENT ACT, 1972.**
- 14. EXCLUSION OF THE PUBLIC**

THE REPORTS RELATING TO THE FOLLOWING ITEMS ARE NOT FOR PUBLICATION AS THEY CONTAIN EXEMPT INFORMATION AS DEFINED IN PARAGRAPH 14 OF PART 4 OF SCHEDULE 12A TO THE

LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) (WALES) ORDER 2007. IF, FOLLOWING THE APPLICATION OF THE PUBLIC INTEREST TEST, THE CABINET RESOLVES PURSUANT TO THE ACT TO CONSIDER THESE ITEMS IN PRIVATE, THE PUBLIC WILL BE EXCLUDED FROM THE MEETING DURING SUCH CONSIDERATION.

- 15. RE-ALIGNMENT OF MILLENNIUM COASTAL PATH AT MORFA BACAS, BYNEA, LLANELLI** 161 - 174

CABINET

18 JULY 2022

PRESENT: Councillor D. Price (Chair)

Councillors (In Person):

L.D. Evans

P.M. Hughes

G.H. John

A. Lenny

E.G. Thomas

A. Vaughan Owen

Councillors (Virtually):

G. Davies.

Also in attendance (Virtually):

Councillors D. Cundy and R. James.

The following Officers were in attendance (In Person):

W. Walters, Chief Executive;

C. Moore, Director of Corporate Services;

G. Morgans, Director of Education & Children's Services;

L.R. Jones, Head of Administration and Law;

N. Daniel, Head of ICT and Corporate Policy;

S. Pilliner, Head of Transportation & Highways;

A. Williams, Head of Waste and Environmental Services;

D. Hockenhull, Marketing and Media Manager;

S. Rees, Simultaneous Translator;

J. Owens, Democratic Services Officer [Observer];

J. Owen, Democratic Services Officer [Minute taker].

The following Officers were in attendance (Virtually):

J. Morgan, Head of Homes & Safer Communities;

S. Davies, Head of Access to Education;

I.R. Llewelyn, Forward Planning Manager;

S. Walters, Economic Development Manager;

M. Evans Thomas, Principal Democratic Services Officer.

Chamber, County Hall, Carmarthen, SA31 1JP and remotely:- 10:00am - 11:25am

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A. Davies and J. Tremlett.

2. DECLARATIONS OF PERSONAL INTEREST

There were no declarations of personal interests.

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE CABINET HELD ON THE 4TH JULY 2022

As provided for by Protocol, the Leader invited Councillor Dot Jones to ask her prepared question in respect of this item.

Question by Councillor Dot Jones;

In respect of Minute number 9, Cabinet Advisory Panels, *“What was the conclusion of the task and finish of the advisory group for school transport?”*

Response by Cabinet Member for Transport, Waste and Infrastructure Services:

“This Panel was intended to be set up just prior to the commencement of the COVID Pandemic in 2020 following a report to the Executive Board on 25th January 2020 on a national change to the Public Service Vehicle Access Regulations which affected services provided by commercial operators for school journeys. Executive Board resolved to:

- 1) Make an amendment be to the Authority’s Spare Seats Police to waive the current annual £50 charge, effective form 1st September 2019;
- 2) Continue to pursue the Welsh Government and the Department of Transport for a change in the application of the Public Services Vehicle Access Regulations to allow bus operators to continue using coaches on school bus routes operated on a commercial basis;
- 3) An Executive Board Advisory Panel be established comprising of 6 members, on a cross-party basis, together with the Executive Board member for Environment to look at all issues relating to Home to School Transport and to report back to the Executive Board.

Following the meeting in January 2020, it generated a national dialogue between the Welsh Government and the UK Government. The Minister of Economy and Transport issued a statement to confirm the Welsh Government had requested a blanket exemption for school transport services and had also written to the Department of Transport to seek further clarity around existing and future exemptions.

However, with the COVID Pandemic hitting the country in March 2020, the advisory panel did not meet, and further national work was undertaken. The Welsh Government commenced a review of the Learner Travel Measure in 2020 and extended the review in 2021. In March 2022, the Welsh Government announced that: “There was not time within the current administration to begin a formal process to change the Measure before the pre-election period begins. Therefore, options for next steps would need to be considered in the next Senedd term.”

Given the Learner Travel Measure provides the basis for school transport provision, it is appropriate to await the outcome of the national review when this is picked up during this Senedd term. Clearly, proposals from the national review will be subject to consultation and progress through the usual democratic process.

As a Council, we need to be pressing the Welsh Government on what the next steps are in terms of the review of the school transport distances and if changes are made, that additional funding is provided to Councils across Wales in order to provide additional capacity.

I am aware that the Leader is hoping to meet with the Deputy Minister for Climate Change Lee Waters, to discuss the matter. I would also point out that I am keen to work with the Labour Group in order to find a way forward on this important agenda and would welcome a meeting with you Councillor Jones to discuss the matter in more depth, if agreeable.”

UNANIMOUSLY RESOLVED that the minutes of the meeting of the Cabinet held on the 4th July 2022 be signed as a correct record.

4. QUESTIONS ON NOTICE BY MEMBERS

The Chair advised that no questions on notice had been submitted by members.

5. PUBLIC QUESTIONS ON NOTICE

The Chair advised that no public questions had been received.

6. CABINET VISION STATEMENT 2022 – 2027

The Cabinet considered a report which appended Cabinet Vision Statement 2022 – 2027. The Leader, in presenting the 5-year vision statement explained that following the Local Government Elections (May 2022), the new Cabinet had committed to publishing a vision statement ahead of the Corporate Strategy which was due for publication in the Autumn.

It was highlighted that the relevant reports and recommendations on specific projects and programmes within the report would be presented through the democratic process over the next five years.

The statement provided the direction of travel that this Cabinet wants to focus on to make a difference across the County over the next 5 years. It was reported that work would include liaising with partners to strengthen the economy, increase prosperity, and invest in housing, education, culture, infrastructure, and the environment.

It was reported that the results of the Residents Survey and the Staff Survey would be integral to the development of the Cabinet's policy platforms going forward. In addition, it was emphasised that in order to further refine the vision statement, a cross-party dialogue with all Members was welcomed and that a number of meetings had already been scheduled over the summer.

Each Cabinet Member present in the meeting was afforded the opportunity to present the vision within their portfolio.

As provided for by Protocol the Leader invited Councillor Rob James to ask his prepared question in respect of this item.

Question by Councillor Rob James:

"Reading the vision document, it reads much like a very long list of to do items or just generic statements such as; work with external bodies and understand what could be done to support residents. Even a Conservative run Council would say that, it is very lacking on detail and it is remarkably similar to the 'Moving Forward, the Next 5 Years', I think is known in the Council the 96 point plan. In fact, this is a plan with 113 points, so my main question is mainly; How do we expect the public to give their views on a document when it is lacking in both detail and measurables? It doesn't say what the future of education you would like it to be, it doesn't say how you would try to integrate health and social care, it doesn't say how you will try and build the economy for the future. As Councillor Lenny described it is not 'pie in the sky' it doesn't actually cover anything to do with prosperity or the inflationary pressures that will be placed on the budget or if you would be able to actually deliver on these promises."

Response by the Leader:

"I think that maybe a fundamental misunderstanding on your part in terms of where we are at, at this point and what role this vision statement plays in feeding into our Corporate Strategy. I would have hoped that the message had been received loud and clear by all Members of this Council, because I had been saying it consistently for the past 2 months. I actually remember meeting you the first time after the election and when we met with yourself, Councillor Dot Jones and Councillor Deryk Cundy, where I stated quite clearly, that the ambition from my perspective was to get to a position in the Autumn with a Corporate Strategy where all views had been taken on board. This is our starting position as a Cabinet, this is what we envisage to be our priorities going forward, but we acknowledge that others may have different ideas. That is why it is important that we take on board the views of residents, through the Residents Survey, the staff, through the Staff Survey and yourselves as Members through the meetings that have already been scheduled or are in the process of scheduled with a range of different Members. So those different views are fed in a measurable and a systematic way that when we get to the Corporate Strategy in the Autumn all those opinions have been taken on board.

That is the process that has been set out and I have been clear over the past two months on what I expect from the different roles of different groups. I think there is discussion here from the Labour Group and yourself as Labour Leader in terms of how you see yourselves feeding into that process and not just initially in terms of the Corporate Strategy but longer term in terms of policy development within this Council. I think you have got a wonderful opportunity to feed in your ideas and your suggestions at a number of different stages, this is the first one.

I will be honest with you, I am a bit disappointed in the question that you have put this morning. I believe it to be lazy. You had the opportunity to possibly put forward some constructive criticism you could have come to this meeting today to asked me as Leader that you do not agree and you need to strengthen X, Y and Z, but you chose not to. You chose the lazy option, and I am sure some would argue that the purpose of the question was simply to provide a peg for Labours press release to the Evening Post, but I do hope that you and the Labour Group gives some serious consideration on how you want to interact with us as the Administration. My offer as I have outlined again, in the introductory statements to this report, the genuine offer of dialogue is there and it will remain there, and it is up to others to take that offer seriously.

I absolutely refute the suggestion that this document lacks vision. It is both ambitious and exciting but also deliverable as Councillor Lenny mentioned there are fiscal pressures facing us, which we are absolutely and acutely aware of and we are determined to work with others to try and overcome those. The vision is there and as a starting point for discussion, I look forward to continuing those discussions with you hopefully in a positive manner over the coming months."

UNANIMOUSLY RESOLVED that the Cabinet's Vision Statement for 2022-2027 be received.

7. FREE PARKING DAYS IN TOWNS

The Cabinet considered a report which contained information in relation to the cost and resource implications of varying the current arrangements of free parking days along with available options to continue the free parking initiative.

It was reported that the Council's free parking policy aimed to increase footfall in towns by providing free parking in its pay & display car parks on up to five separate days each year to support events or campaigns in each town. Currently, applications for the free parking days were submitted on-line and must have the support of the appropriate Town Council and Town Centre Management Group. Following internal consultation, the applications were put forward for Cabinet Member approval.

Cabinet noted that based on independent reports commissioned as part of the Council's Ten Town initiative, representatives of rural towns had sought to increase the number of free parking days over and above the current 5 free-parking days per annum that the Council had in place.

Following consideration of the report and all the options available, it was proposed that the options 5 and 6 of the report be endorsed, this was duly seconded.

As provided for by Protocol the Leader invited Councillor Rob James to put his prepared question in respect of this item.

Question by Councillor Rob James:

"I am sure that the Cabinet would agree with me that it has been a difficult period for local businesses, and I think that free parking has been argued for a long period to be a possible mechanism for boosting local business as support. As you can see from the report there is also a very large variation where Carmarthen Town in particular generated 70% of all parking charges for the entire County. Would the Cabinet be willing to work with us to see if we can develop a proposal for a 1-hour free carparking in selected car parks across the County to ensure that we can support the local businesses as you roll out this pilot. I think a 1-hour free would be a very simplistic policy and would be very much understood by the public, it wouldn't be this discrepancy about different days and different times, and I think it would actually increase footfall into the towns."

Whilst accepting the question on this occasion, the Leader asked that questions be put as submitted in future in accordance with the requirements of the Protocol for Non-Executive Members' Attendance at Formal Cabinet Meetings.

Response by the Cabinet Member for Transport, Waste and Infrastructure Services:

"The Council has continued to support local businesses and town centres over several years, both before, during and beyond the pandemic. In consultation with every town centre the Council has provided five free car parking days to support events, the Council has provided further support with extended periods of free parking throughout weekdays in every town. Free parking is provided in:

- Ammanford – Monday, Tuesday and Wednesday, 10:00am to 2:00pm
- Carmarthen – Tuesday and Thursday, 3:30pm to 6:00pm
- Llanelli – Monday and Tuesday, 10:00am to 4:00pm
- Llandeilo, Llandovery, Newcastle Emlyn, St Clears – Monday to Wednesday, 10:00am to 2:00pm

On parking charges more generally, this Council's parking charges compare favourably with parking charges in neighbouring Councils:

- Carmarthenshire charges a 4 hour range from £2.40 to a maximum of £3.60
- Swansea for example charge for 4 hours £4.50, if you park in a municipal carpark but £7 for an NCP.
- Neath Port Talbot charge for 3-3 hours at £3.30 increasing to £3.80 afterwards
- Ceredigion £3 for 3 hours, increasing to £3.80

However, we recognise that there is a need to keep our parking charges and policy under review.

The Council's Parking Strategy was last reviewed and approved in 2018, the previous strategy was updated as one of the outcomes of the Scrutiny Committee Task and Finish work in 2016.

I can assure you that as a Cabinet we are keen to work with stakeholders and partners across the County, including with Town Centre BID's businesses, County Councillors, Town and Community Councils and others in order to ensure that our parking strategy is up to date, evidence based and is maximising the economic benefits to towns, whilst also contributing towards the Council's wider objectives around helping to reduce traffic problems, congestion and air quality and investing in our public transport system.

We know that parking demand is influenced by the type and function of land use and the quality of a public transport system. We therefore need to keep in mind and review the availability of public transport as an alternative to cars, in line with the Welsh Government's objectives of reducing car journeys across Wales.

There is a duty on us therefore, to ensure that our Parking Strategy is consistent with the Welsh Government Transport Strategy, and I am keen to ensure that any interventions introduced are proportionate and strike the difficult balance in supporting town centres and businesses, supporting more sustainable decarbonisation objectives.

Again, I am happy to work with the Labour group on this agenda and would be happy to meet with you to discuss your ideas with a possibility of incorporating them in the Corporate Strategy going forward as discussed earlier."

It was clarified that the purpose of the report was in response to a request to the Cabinet particularly in the case of Llandovery and a number of options had been developed as part of the Ten Towns initiative. In addition, it was acknowledged that the economic growth of the town of Llandovery may benefit from the free parking initiative and therefore the proposed option 5 in the recommendations of the report to undertake a pilot scheme for 12 months would gain important relevant information and assess the impact of an extended provision of 12 days in Llandovery.

Furthermore, in terms of free parking, the Cabinet recognised that there was an inconsistency across the County. Therefore, it was clarified that the proposed option 6 in the recommendations of the report, would be to review the current free parking strategy.

UNANIMOUSLY RESOLVED to;

- 7.1 undertake a pilot scheme for 12 months to assess the impact of an extended provision of 12 days in Llandovery.**
- 7.2. undertake a review of the current free car parking strategy across the County, linked to the general parking strategy approved in 2018, with a future report to be considered by Cabinet to confirm the Terms of Reference for the review.**

8. STREET NAMING AND PROPERTY NUMBERING POLICY

In response to the notice of motion and subsequent resolution of the Council on the 13th October 2021 [minute number 9.1 refers], the Cabinet considered a report which outlined information in relation to the Draft Street Naming and Property Naming Policy appended to the report.

The policy provided a framework for Carmarthenshire County Council to operate the Street Naming and Numbering function effectively and efficiently for the benefit of Carmarthenshire residents, emergency services, businesses, and visitors. In addition, the policy ensured that the Council reflected the relevant legislative powers and duties, including The Welsh Language Act 1993, the Welsh Language (Wales) Measure 2011, the Well Being of Future Generations Act 2015 and Sections 17 to 19 of the Public Health Act (1925).

It was reported that the aim of the Policy was to provide advice and guidance to developers and existing property owners when considering new developments, property conversions, or single in-fill plots, as well as changing the name of an existing property. It also provided guidance to Community or Town Councils on the legal framework for operation of the Street Naming and Property Numbering function and the protocols for determining official street names and property numbers.

Cabinet Members were pleased to note that the policy recognised the importance of promoting the Welsh Language and in relation to property and street names would promote and adopt a Welsh name that was consistent with the heritage and history of the area.

In addition, Cabinet noted that following Council approval, a full public consultation would be undertaken and that any representations received would be reported back for Council deliberation ahead of the intended adoption of the Policy.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL that:

- 8.1 the Draft Street Naming and Property Numbering Policy for a period of public consultation of 28 days be approved;**
- 8.2 any representations received to the consultation, along with officer recommendations, be reported back to the Council for deliberation.**

9. CARMARTHENSHIRE SUSTAINABLE COMMUNITIES FOR LEARNING (CSCFL) (FORMERLY THE MODERNISING EDUCATION PROGRAMME) ADDITIONAL LEARNING NEEDS

The Cabinet considered a report on the Carmarthenshire Sustainable Communities for Learning (formerly the Modernisation Education Programme) – Additional Learning Needs. The report sought Cabinet approval on a realignment to the Capital Programme to facilitate urgent works to increase specialist spaces for pupils with Additional Learning Needs / Autistic Spectrum Disorder.

It was reported that an urgent matter in relation to Autistic Spectrum Disorder provision had arisen that required the Cabinet to make an adjustment (virement) to the capital programme in order to address this urgent need.

Cabinet noted that currently there was no provision in the capital allocation specifically for Autistic Spectrum Disorder (ASD) in Band A or B and B of Carmarthenshire's Sustainable Communities for Learning (Formerly Modernising Education Programme) Programme. The total budget cost to carry out the urgent works for September 2022 as outlined in the report was £1.76 million and given that the budget costs were significant, a virement approval was necessary.

UNANIMOUSLY RESOLVED that a virement in the capital programme to allow these urgent works to be undertaken as a matter of urgency

10. ANY OTHER ITEMS OF BUSINESS

The Chair advised that there were no items of urgent business.

11. EXCLUSION OF THE PUBLIC

UNANIMOUSLY RESOLVED, pursuant to the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, that the public be excluded from the meeting during consideration of the following items as the reports contained exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act.

12. UK GOVERNMENT LEVELLING UP FUND - LLANELLI PROPOSAL

Following the application of the public interest test it was **RESOLVED** pursuant to the Act referred to in minute no. 11 above not to publicise the content of the report as it contained exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information) (Paragraph 14 of Part 4 of Schedule 12A to the Act). The public interest test in respect of this report outweighed the public interest in disclosing the information contained therein as disclosure would risk prejudicing the interests of businesses currently occupying the premises in question and undermine the Council's position when seeking to acquire land for the project.

The Cabinet considered a report which provided information in relation to the Llanelli Constituency and Transport theme funding bids which had been prepared for submission to UK Government's round 2 Levelling Up Programme.

UNANIMOUSLY RESOLVED that the applications for submission in respect of the Llanelli Constituency and Transport theme, as detailed in the report, for UK Government's round 2 Levelling Up Programme be endorsed.

CHAIR

DATE

CABINET

MONDAY, 25 JULY 2022

PRESENT: Councillor L.D. Evans (Vice Chair in the Chair)

Councillors (In Person):

C.A. Davies	G. Davies	P.M. Hughes	G.H. John
A. Lenny	E.G. Thomas	A. Vaughan Owen	

Councillors (Virtually):

J. Tremlett

Also in attendance (Virtually):

Councillor D. Cundy

The following Officers were in attendance (In Person):

W. Walters, Chief Executive
 C. Moore, Director of Corporate Services
 L.R. Jones, Head of Administration and Law
 G. Morgans, Director of Education & Children's Services
 A. Williams, Head of Waste and Environmental Services
 D. Hockenhull, Marketing and Media Manager
 H. Morgan, Economic Development Manager
 C. S. Higginson, Media Manager
 S. Rees, Simultaneous Translator
 J. Owens, Democratic Services Officer [Minute Taker]

The following Officers were in attendance (Virtually):

J. Morgan, Head of Homes & Safer Communities
 I. Jones, Head of Leisure
 M. Evans Thomas, Principal Democratic Services Officer
 J. Owen, Democratic Services Officer

Chamber - County Hall, Carmarthen. SA31 1JP and remotely: 10.00 - 10.52 am

1. APOLOGIES FOR ABSENCE.

An apology for absence was received from Councillor D. Price.

2. DECLARATIONS OF PERSONAL INTEREST

<u>Name</u>	<u>Agenda Item</u>	<u>Declaration Of Interest</u>
W. Walters, Chief Executive	12 - Oriel Myrddin Capital Project	Husband works for one of the contractors on the framework.

3. QUESTIONS ON NOTICE BY MEMBERS

The Chair advised that no questions on notice had been submitted by members.

4. PUBLIC QUESTIONS ON NOTICE

The Chair advised that no public questions had been received.

5. UK SHARED PROSPERITY FUND (UKSPF)

The Cabinet considered a report which detailed the level of funding to be provided to Local Authorities across the South-West Wales region over the next 3 years in accordance with the UK Shared Prosperity Fund (UKSPF) priority areas.

The Cabinet's endorsement was sought on the South-West Wales Regional Investment Plan set out at Appendix A to the report, which had been co-ordinated by Swansea Council as the lead Authority on behalf of the South-West region, for approval by the UK government and for delivery of the Fund thereafter.

UNANIMOUSLY RESOLVED THAT:

- 5.1 The steps taken to date to enable the County to benefit from the UK Shared Prosperity Fund (UKSPF) be endorsed;
- 5.2 The Regional Investment Plan for South-West Wales, which set out how the UK Shared Prosperity Fund (UK SPF) will be used in the region between 2022/23 and 2024/25, be approved prior to its submission to UK Government.

6. CARMARTHENSHIRE NATIONAL URDD EISTEDDFOD 2023

The Cabinet considered a report which provided information on the National Urdd Eisteddfod to be hosted by Carmarthenshire in 2023. It was noted that the event had been postponed from 2021 as a result of the coronavirus pandemic.

The Cabinet acknowledged the benefits that would be derived in terms of the economic well-being of Carmarthenshire, and the contribution to the development of the Welsh Language in the county which was reflective of the commitment to support the aspiration of reaching a million Welsh speakers by 2050. In this regard, reference was made to the Authority's Welsh in Education Strategic Plan (WESP) recently approved by the Minister for Education and Welsh Language, which set out the Council's development of the Welsh language provision in its schools for the next 10 years.

The Cabinet noted the request made by the Urdd for possible additional support to ensure the successful management of the event in light of the changes made following the coronavirus pandemic. In this regard the Authority's staffing implications were considered by the Cabinet. Reference was made to a Service Level Agreement which would be developed between the Authority and the Urdd to ensure that the best possible experience is given to the children, young people, and residents of the county during the 12month preparation period and during the week of the event.

UNANIMOUSLY RESOLVED:

- 6.1** That financial support be provided to the Carmarthenshire 2023 National Urdd Eisteddfod, with a financial contribution of £80,000 to be made to the Urdd Eisteddfod;
- 6.2.** That support be provided to the National Urdd Eisteddfod in accordance with the services listed in the report;
- 6.3** The Marketing and Media Manager be appointed to lead on the project, with quarterly reports submitted to the Cabinet.

7. CLIMATE CHANGE CROSS PARTY ADVISORY PANEL

Further to minute 9.2 of the meeting held 4th July 2022, consideration was given to a report on the proposed terms of reference and membership for the Climate Change Cross Party Advisor Panel, which was being established to support the Authority's approach to climate change and nature emergency.

UNANIMOUSLY RESOLVED that the membership and terms of reference of the cross party Climate Change Advisory Panel detailed within the report be approved.

8. ANNUAL TREASURY MANAGEMENT & PRUDENTIAL INDICATOR REPORT 2021/22.

As part of the requirements of the revised CIPFA Code of Practice on Treasury Management, the Cabinet considered the Council's Annual Treasury Management and Prudential Indicator Report for the 2021-22.

The Council adopted the Treasury Management Policy and Strategy and the five year capital programme for 2021-22 on the 3rd March 2021. The Annual report listed the activities that took place in 2021-22.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL that the Annual Treasury Management and Prudential Indicator Report for 2021-22 be adopted.

9. COUNCIL'S REVENUE BUDGET MONITORING REPORT.

The Cabinet considered the Council's Revenue Budget Monitoring Report which provided members with an end of year financial position in respect of 2021/22.

It was reported that the final outturn figures indicated an underspend for the year at departmental level of £5,345k (and included the effect of the overbudgeted pay award for April 2021). After taking account of capital charges and the movement in Earmarked and Departmental reserves, the net position for the Authority was a £1,433k underspend.

Cabinet noted that the underspend was, in the main, attributable to factors which related to the coronavirus pandemic. In this regard, it was reported that substantial additional grant funding had been received from Welsh Government before the year end, and further coronavirus-related costs had been largely refunded under the Welsh Government hardship scheme. It was also explained that some capital financing under expenditure had been utilised to address significant pressure points on in-year capital project budgets. Furthermore, it was recognised that some services had been paused or reduced due to coronavirus restrictions as well as staffing vacancies during the reporting period which had contributed to the underspend.

Consideration was given to the Housing Revenue Account appended to the report at Appendix B which conveyed an underspend of £8,907k for 2021/22. A synopsis of the main variances was provided to Cabinet in respect of repairs and maintenance, supervision, management and support, provision for bad debt, capital financing charges, grant funding and income.

UNANIMOUSLY RESOLVED that the Council's Revenue Budget Monitoring for Year End 2021-22 be received.

10. ANY OTHER ITEMS OF BUSINESS THAT BY REASONS OF SPECIAL CIRCUMSTANCES THE CHAIR DECIDES SHOULD BE CONSIDERED AS A MATTER OF URGENCY PURSUANT TO SECTION 100B(4)(B) OF THE LOCAL GOVERNMENT ACT, 1972.

The Chair advised that no items of urgent business had been received.

11. EXCLUSION OF THE PUBLIC

UNANIMOUSLY RESOLVED, pursuant to the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, that the public be excluded from the meeting during consideration of the following item as the report contained exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act.

12. ORIEL MYRDDIN CAPITAL PROJECT

The Chief Executive, W. Walters having earlier declared an interest in this item, departed the meeting.

Following the application of the public interest test it was RESOLVED pursuant to the Act referred to in minute no. 11 above not to publicise the content of the report as it contained exempt information relating to the financial or business affairs of any particular person (including the

Authority holding that information) (Paragraph 14 of Part 4 of Schedule 12A to the Act). The public interest test in respect of this report outweighed the public interest in disclosing the information contained therein as disclosure would undermine the Council's position in the procurement process and unfairly prejudice the preferred contractor in the wider marketplace.

The Cabinet considered a report which provided information in respect of the development of the Oriel Myrddin Gallery.

UNANIMOUSLY RESOLVED to approve the recommendations as outlined in the report in order to support the development of the Oriel Myrddin Gallery.

CHAIR

DATE

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CABINET 3RD OCTOBER 2022

REVENUE BUDGET OUTLOOK

Recommendations / key decisions required:

1. The Cabinet receives the initial budget outlook and considers the level of Council Tax rises and the level of school efficiencies that it considers appropriate for developing the Medium Term Financial Plan.
2. Cabinet endorses the proposed approach to identifying the required savings.
3. Cabinet notes the proposed approach to the Budget Consultation.

Reasons:

To provide the Cabinet with an overview of the budget issues and outlook for the forthcoming year.

Relevant Scrutiny Committee to be consulted NA

Cabinet Decision Required	YES
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Council Decision Required	NO
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CABINET MEMBER PORTFOLIO HOLDER:-

Cllr. Alun Lenny

Corporate Services Directorate

Designations:

Tel No. 01267 224121

Name of Director:
Mr C Moore

Director of Corporate
Services

E Mail Addresses:

CMoore@carmarthenshire.gov.uk

Report Author:
Randal Hemingway

Head of Financial
Services

RHemingway@carmarthenshire.gov.uk

EXECUTIVE SUMMARY
Cabinet
3rd OCTOBER 2022

REVENUE BUDGET OUTLOOK

The report appraises members of the current financial outlook and updates our current financial model covering the next financial year.

The report outlines the proposals for taking forward the budget preparation for the next year.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

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

Signed: C Moore

Director of Corporate Services

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

1. Policy, Crime & Disorder and Equalities

The budget is being prepared having regard for the Council's Corporate Strategy.

Equalities Impact Assessments will be undertaken on budget proposals in order to consider and assess the potential impact with respect to protected characteristic groups and the Welsh language. All budget proposals considered to have an impact on front line services will undergo a period of public consultation. The Equalities Impact Assessments will be further developed following consideration of possible mitigation measures to reduce the impact once the responses and findings of the budget consultation have been received.

3. Finance

Council Fund

The report provides an updated view of the Budget Outlook for 2023/24, with updated views of base case and best case scenarios.

The financial model tabled above will be updated as and when more information becomes available, including the provisional and final settlement from Welsh Government.

Provisional settlement is expected in December 2022.

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 Scrutiny Committees will be undertaken during the budget process.

2. Local Member(s)

N/A

3. Community / Town Council

All budget proposals considered to have an impact on front line services will undergo a period of public consultation before the final budget is set.

4. Relevant Partners

N/A

5. Staff Side Representatives and other Organisations

Consultation with Staff Side Representatives and other organisations will be undertaken and results will be reported during the budget process.

**CABINET MEMBER PORTFOLIO
HOLDER(S) AWARE/CONSULTED**
NO

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
2022/23 3 Year Revenue Budget		County Hall, Carmarthen

REPORT OF DIRECTOR OF CORPORATE SERVICES

Cabinet

3rd October 2022

BUDGET OUTLOOK 2023/24 to 2025/26

HEAD OF SERVICE & DESIGNATION.	DIRECTORATE	TELEPHONE NO.
R Hemingway, Head of Financial Services	Corporate Services	01267 224886
AUTHOR & DESIGNATION	DIRECTORATE	TELEPHONE NO
R Hemingway, Head of Financial Services	Corporate Services	01267 224886

1. PURPOSE OF REPORT

The purpose of this report is to:

- 1.1. Update Cabinet on the current financial outlook
- 1.2. Review and agree our financial model assumptions
- 1.3. Agree savings targets for taking forward the budget preparation

2. BACKGROUND

- 2.1. The current three year Medium Term Financial Plan (MTFP) was agreed by Council on 2nd March 2022 and was based on estimates of known commitments at that time, and formulated in the context of the Welsh Government (WG) financial settlement for 2022/23, including indicative settlements and years 2 and 3 of the plan and estimates for other key inputs.

At the time of budget setting, the risk of inflation was noted, however the greatest uncertainty at that time was judged to be the unknown impact on ongoing costs and reduced income due to COVID19.

- 2.2. Since then, there have been a number of significant changes to the external environment which will have a significant bearing on our budget going forward, most notably:

- 2.2.1. Significantly higher general inflation, which is also expected to last longer, leading to sustained cost of living pressures
- 2.2.2. Particularly acute increases in energy prices, impacting both transportation costs as well as heating and electricity bills for both households and businesses
- 2.2.3. A strong response from national unions, including the largest rail disruption for three decades, and confirmed strike action from postal staff, dock workers, refineries as well as widely predicted action from NHS staff
- 2.2.4. A full relaxation of COVID19 public health restrictions

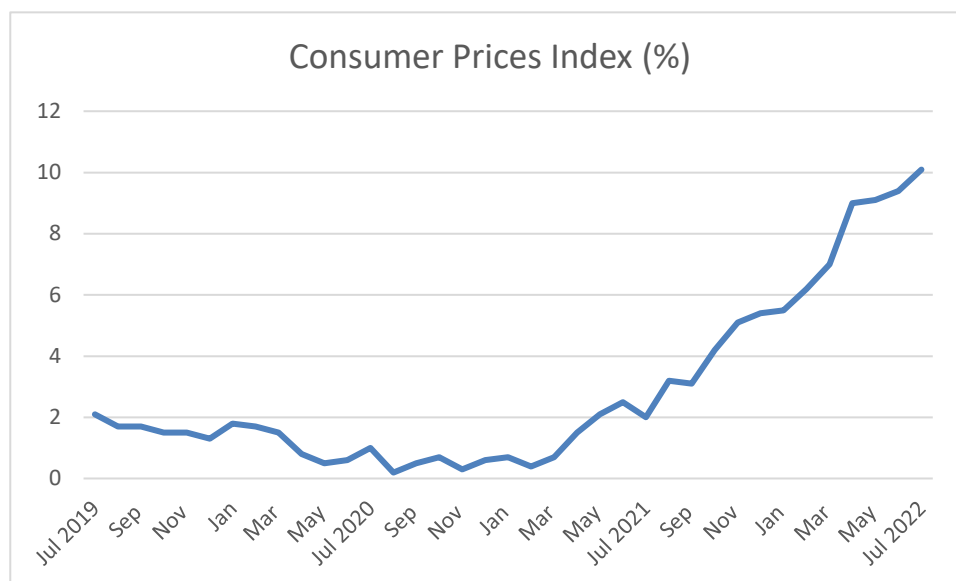
3. CURRENT POSITION

INFLATION

3.1 UK inflation is being driven by a range of factors:

- 3.1.1. Increased global demand for goods and services as vaccinations have enabled the world to live with COVID19;
- 3.1.2. Supply shortages, in part caused by China's application of strict lockdowns in pursuit of its "Zero Covid" policy;
- 3.1.3. Acute increases in both food staples and energy prices driven by the war in Ukraine. Higher wholesale energy costs not only increase direct transport and domestic prices, but also drive up the price of both manufacturing and transporting goods.
- 3.1.4. A tightening of the UK labour market, in part due to the effects of Brexit reducing migrant labour.

- 3.2. Inflation forecasts have changed rapidly in recent months. What was previously expected to be modest and "transitory" is now already at 10% and expected to persist higher and longer. The Bank of England's most recent forecast (September 2022) is that CPI inflation is expected to peak at around 11% following the UKG energy interventions, with economic growth forecasts reduced and forecasting a recession, albeit shallower than would have been the case without the intervention.



Source: ONS

- 3.3.** The COVID19 pandemic led to two years of addition health spending, reduced tax revenues as well as the unprecedented financial scale and duration of the furlough scheme. Public Sector Borrowing for January to June 2022 was c.£66bn compared with just £13bn in Jan-June 2019. The planned increases in national insurance have been subsequently reduced in response to the cost of living crisis, further worsening public sector finances over the medium term.
- 3.4.** Following Boris Johnson's resignation, a new Conservative Government has been formed under Liz Truss as Prime Minister. Support has been announced, capping bills for households and businesses. Whilst some details are not yet clear, the cost has been estimated at a staggering £100bn, around 50% more than the total cost of the Furlough scheme. It is widely understood this cost will be met by increased borrowing.
- 3.5.** In this context, it is reasonable to assume that HM Treasury will need to be cautious when considering the funding envelope available for future years departmental spending – the previous UK Government has already promised a cut to income tax in the run up to the next general election. Having spent extraordinarily during the pandemic, and facing significantly increased borrowing costs, there are likely to be further attempts to rebalance public sector finances over time.
- 3.6.** Our previous assumption on inflation for 2023/24 was 3%. The largest impacts on the council's revenue budget from the current inflationary situation are as follows:

- Pay – because higher inflation will increase pressure for higher pay awards (and staffing is our single largest expenditure item)
- Commissioned care – because it will affect the real living wage (to be announced 22 September), on which contractual increases are based.
- Energy – despite the additional pressure in 2022-23 budget, our forward purchasing actually mitigated the worst increases at that time. The budget increase required for 2023-24 will certainly be significantly higher – so far between 1/3 and 1/2 of next year's requirements have been purchased – indications are of a possible doubling or even tripling of gas and electricity budgets required £5-10million (vs £700k last year).
- Food – last year we had to provide for a double digit increase in food prices from a local supplier. Based on current trends a further increase is likely to be required next year

BASE CASE ASSUMPTION – INCREASE INFLATION ASSUMPTION FOR 2023/24 TO 5%, WITH PAY, COMMISSIONED CARE AND ENERGY TREATED SEPARATELY

BEST CASE – INCREASE 2023/24 TO 4%

UKRAINE CRISIS

- 3.7.** Following the launch of the “Homes for Ukrainians” scheme in March 2022 and WG’s decision to be a super sponsor, there is an emerging funding pressure. We currently understand that education funding will be provided on a monthly prorated basis, but with a cliff-edge at the end of the current financial year. Our estimate is that current arrivals represent around one third of the possible final number, meaning that for the majority of school age children, we could expect to receive less than half of the indicated Year 1 tariff. Additionally members should note that both the main funding support as well as education funding is for Year 1 only, presenting a clear mismatch vs a three year visa.

BASE CASE ASSUMPTION – £1M FUNDING SHORTFALL (COULD BE HIGHER)

BEST CASE – ASSUME FUNDING IS ADDRESSED BY UKG/WG IN 2023/24

STAFFING COSTS

- 3.7.** The April 2021 pay settlement for NJC staff was only agreed in February 2022. As such, the April 2022 settlement is considerably delayed and highly uncertain. Our 2022-23 pay assumption was 4%, which was in line with most Welsh Authorities. In the context of current inflation, this would represent a significant cut in real terms.

The NJC Employers offer is for a flat £1,925 to be added to all pay points. Even if this offer were to be accepted by unions, indicative high level modelling indicates this is more than 3% or approximately £7m above budgeted levels for 2022/23, which will have to be built into next year's base budget. Additionally, the Employers offer includes an additional day's leave, which will lead to additional budgetary costs both for front line service delivery such as waste and social care, but could also require an additional uplift for term time staff in lieu of the additional leave.

BASE CASE ASSUMPTION – INCREASE 2023/24 NJC PAY AWARD ASSUMPTION TO 5%, WHICH ALLOWS SOME BUDGETARY CATCH UP FROM CURRENT YEAR.

BEST CASE – INCREASE 2023/24 TO 3% (THIS WOULD EFFECTIVELY ASSUME A PAY FREEZE NEXT YEAR)

- 3.8.** The Independent Welsh Pay Review Body recommendation on teachers pay for September 2022 was announced on 21 July (normally early June) is for an increase of 5% this year and an indicative 3.5% next year. The NASUWT has campaigned for a 12% increase in September 2022 followed by 10% in September 2023, as well as additions to respond to current inflation levels. Even if accepted at the current level, we would need to increase our assumption in 2023/24 to "catch up" in budgetary terms.

BASE CASE ASSUMPTION – INCREASE 2023/24 PAY AWARD ASSUMPTION TO 5%, WHICH ALLOWS BUDGETARY CATCH UP FROM CURRENT YEAR.

BEST CASE – INCREASE 2023/24 TO 3%

- 3.9.** Commissioned care budgets have historically been linked to the National Living Wage. Last year saw a step increase, mandated by WG, to the sector paying the Foundation Living Wage which was implicitly funded through an increase in Revenue Support Grant. Next year's calculation (published 22 September) is based on everyday living costs, and is therefore likely to lead to another double digit increase based on increased in household energy, food and fuel costs.

BASE CASE ASSUMPTION – INCREASE 2023/24 FLW INCREASE TO £10.90 (£1 / 10% INCREASE).

BEST CASE - INCREASE TO £10.70 (80p / 8% INCREASE)

COVID COSTS

- 3.10.** With a resurgence in case numbers following the Platinum Jubilee, it is clear that COVID19 has not gone away. We have set aside overall contingency funding of £3.5m. The financial position will be closely tracked as part of budget monitoring, however for budget purposes going forward, the working assumption is that it will be fully utilised but no additional funding will be required .

BASE CASE ASSUMPTION – NO CHANGE

BEST CASE ASSUMPTION – £1M REDUCTION TO REQUIREMENT

WELSH GOVERNMENT FUNDING

- 3.11.** Unless (and until) updated by the Westminster Government spending plans announced in the Autumn budget, the WG funding envelope was largely been set by last year's Comprehensive Spending Review. Their indicative budget allocations provided an increase of 3.6% for 2023/24 and 2.4% for 2024/25. Given the change in inflation, this is likely to prove particularly challenging. It is understood that increased tax revenues (partially driven by inflation itself) could provide the incoming UK Chancellor some additional headroom, but how that might be directed is uncertain.

In addition to the pressure on health budgets, which represent around half of WG spending, the last two years have seen a marked desire from devolved governments to go further to support household finances in "quasi-welfare" payments. Examples are the extension of the Welsh COVID19 isolation payments far outlasting the scheme in England and continuation of Free School Meal payments in school holidays.

Of interest, the Institute for Fiscal Studies (IFS) analysis of Scottish Government's future plans is an 8% drop in real terms of 4 years to departmental spending (excl health), largely to fund a 48% increase in social security spending as more generous Scottish benefits replace UK-wide benefits.

BASE CASE ASSUMPTION – NO CHANGE TO 3.6% INCREASE.

BEST CASE – 2023/24 IMPROVEMENT TO 5% INCREASE

FUNDING PRIORITIES

- 3.12.** With a new administration formed in Carmarthenshire following the local government elections in May 2022, a review and refresh of the Council's plans is underway with the development of the Cabinet Vision Statement. Development of the Medium Term Financial Plan will need to reflect any changes in spending priorities including any areas of new funding and the deliverability of planned savings proposals.

BASE CASE ASSUMPTION – BUDGET ALLOWANCE FOR NEW INITIATIVES, THOUGH FIGURE UNKNOWN AT THIS STAGE

BEST CASE – ASSUMPTION THAT ANY NEW INITIATIVES CAN BE MET THROUGH DIVERTING STAFFING/RESOURCES FROM CURRENT BUDGETS

- 3.13.** Due to public restrictions, the last two year's public consultation activities were curtailed to online and paper budget questionnaires and virtual member meetings. It is hoped that wider public engagement can take place for this budget cycle, assuming that there will be no reintroduction of public health restrictions required. It is hoped that member seminars are able to take place face to face to best facilitate what are likely to be incredibly difficult decisions. Should this not be possible, virtual seminars will be arranged as has been the case for the last two budget cycles.

4. CURRENT FINANCIAL OUTLOOK & FINANCIAL MODEL

Budget development always involves assumptions which are refined as the situation evolves and information becomes clearer. As described above, the key assumptions we need to revisit are:

- Pay award levels - both for NJC and Teachers
- Pressures allowed for in the budget – particularly energy and commissioned care
- WG settlement levels
- COVID19 pressures
- Local priorities and spending decisions

5. FINANCIAL MODEL

As was the case when developing the 2021-22 budget, it is impossible to exaggerate both the scale of the financial pressures we are facing, combined

with their uncertainty. A small change in either energy prices or the path of inflation could change our forecasts by several million pounds, as would the level of funding provided by Westminster and Welsh Governments. Given this, it is deemed necessary and appropriate to focus all our efforts on the next financial year at this stage. The table below summarises key assumptions:

BUDGETARY ASSUMPTIONS 2023-24

Driver	Previous Assumption	Base Case	Best Case	Notes
Pay (NJC & Teachers)	2.5%	5.0%	3.0%	Assumes “restraint” as outlined by UKG. Next year’s budget will effectively have to include “catchup”
General Inflation	3.0%	5.0%	4.0%	Excludes Energy, Pay but includes food (e.g. for school meals)
Commissioned Care	£10.57	£10.90	£10.70	Inflation for lower income households reportedly higher than headline CPI rate (IFS analysis).
Energy	c. £200k p.a.	£6m (+100%)	£3m (+50%)	Based on indicative reports from Crown Commercial Services, recognising still more that half of energy not yet purchased
Fuel	c. £1.4m p.a. (excl sch transport)	£0.7m (+50%)	£0.35m (+25%)	Base case based on increase to c. £2/l diesel
New Political Priorities	Nil	£Unknown	Nil	Possible need to incorporate new service expenditure based on additional priorities within the Vision Statement
Ukraine Crisis funding	Nil	£1m	Nil	Best case assumes resourcing can be managed within funding envelope
WG Funding	3.6%	3.6%	5.0%	Best case, additional funding secured in recognition of pressures

- 5.1.** Service specific grants currently account for around £100 million and it is assumed that EITHER any further reductions are contained within the AEF reduction above OR that activity/expenditure is reduced in line with grant funding. Many grants have historically been “cash flat” in previous years, meaning that inflation, although low nevertheless gradually eroded the real terms value year on year. **This is raised as an acute risk given the current rate of inflation and pay offers.**

There are no significant planned reductions that officers are aware of, however members should note that existing EU funding streams are

stepping down to zero over the plan period, having already been replaced by the Community Renewal Fund (CRF) and Levelling Up Fund (LUF) projects such as Carmarthen Hwb and Towy Valley Path. CRF will be on allocation basis, whereas LUF is a bidding process.

- 5.2.** As for all Local Authorities, the treatment of delegated school budgets has a significant impact on the scale of savings proposals across every other service area. Historically, our planning assumption has been that schools' delegated budgets do not have a specific savings target applied – this is the budget approach we have taken over the last four years, which has protected schools from substantial savings, however these have inevitably fallen across other council services. With the scale of possible reductions so vast, and school balances now showing a substantial surplus position which has increased again during 2021-22, it seems unavoidable that we will need to change our policy and seek savings from schools as well.

CAPITAL PROGRAMME

- 5.3.** The 5 year capital plan was approved by Council in March 2022. Alongside revenue budget development work, a review of existing and new capital projects will be undertaken to inform future development of the five year Capital Programme. It is likely that any projects approved for the Levelling Up Fund will require match funding which will need to be identified.
- 5.4.** Significant and rapid increases in both materials and labour costs in the construction sector is likely to put further pressure on the future capital programme.
- 5.5.** Additionally, members should note there are significant capital costs associated with the Waste Strategy which are not currently included within the Capital programme. Whilst an offer of funding has been secured from WG, it is not yet clear if the full requirements can be delivered within the funding envelope.
- 5.6.** Depending upon how acute the revenue budget pressures are, consideration could be given to a temporary pause on validation of the revenue implications of capital. Whilst possible, this could have a clear knock on impact upon the capital programme so must be very carefully considered.

SUMMARY

- 5.7.** The MTFP model assumes growth pressures of £5.5m per annum for every year. Based on the scale of bids received in previous years, it is imperative this level is not reduced at this stage in the budget development process.

BASE CASE ASSUMPTION – BUDGET GROWTH TO INCREASE
BY ADDITIONAL REQUIRED FOR FLW INCREASE

BEST CASE – FLW INCREASE CAN BE MANAGED WITHIN
CURRENT ALLOWANCE OF £5.5M

With household budgets already squeezed more than at any time in the last 30 years, the Authority will not want to further add to this pressure any more than is absolutely necessary. As such clearly the ambition will be to keep any increase to a minimum – the council tax assumptions for planning purposes are therefore suggested as:

BASE CASE ASSUMPTION – MAINTAIN 3.4% INCREASE.

BEST CASE (I.E. TO FUND UNAVOIDABLE PRESSURES) – 5.0% INCREASE

- 5.8.** Based upon the above assumptions a financial model has been constructed (see table below) which highlights the impact of the proposed changes, and identifies the likely budget shortfall. Comparative figures from the current MTFP are included for information.

Summary of Financial Model

	Current MTFP		2023/24 BASE CASE	2023/24 BEST CASE
	2022/23 FINAL	2023/24 DRAFT		
Previous Year's Budget	386.2	416.1	416.1	416.1
General Inflation	6.4	5.2	8.1	6.4
Pay Inflation	9.4	6.3	12.6	9.8
Other (inc COVID)	5.0	1.5	1.5	0.5
Growth – Energy & Fuel	0.6	Nil	6.9	3.2
Growth - Commissioned Care FLW	3.9	2.7	4.3	2.7
Growth – Everything else	8.4	2.8	2.8	2.8
Ukraine Crisis	Nil	Nil	1.0	0
New Initiatives			???	0
Saving Proposals – Original	-3.7	-3.9	-3.9	-3.9
Net Expenditure	416.2	430.7	449.5	437.6
Revenue Settlement	311.6	322.5	322.5	327.2
Council Tax Receipts	104.2	108.2	108.2	108.2
Shortfall	0.2	0	18.8	2.2
Council Tax increase - Original	2.5%	3.4%	3.4%	3.4%
Approx CT increase req'd to maintain current savings level (for illustration purposes only)			21%	6%

5.9. Key points:

5.9.1. Uncertainty over inflationary forecasts, and how public sector pay awards respond to the cost of living crisis, make future forecasts particularly difficult. This is exacerbated by the change of leadership and likely ensuing general election following Boris Johnson's resignation. As stated above, our overriding focus must now be on identifying options to deliver a balanced budget for 2023/24

5.9.2. However, even in what is considered the best case scenario, our savings proposals fall well short of what would be required next year, and thus significant work is required.

5.9.3. Following more than a decade of year-on-year budget reductions, it is not credible to think that anything like the base case requirements could be delivered through efficiencies alone. We will doubtless need to look at

reductions in service levels, or in some cases possibly entire removal.

Officers will need to assess existing council services against statutory requirements, including not only statutory versus discretionary, but also the level at which statutory services are delivered, recognising that in many cases the council's current offering may be more generous than the legislative requirement.

6. BUDGET PREPARATION FOR 2023/24

- 6.1.** The financial model tabled above will be updated as and when more information becomes available, key amongst which will be the provisional settlement, currently expected from WG in December 2022. This will be influenced by the UK autumn budget (date unclear typically Oct/Nov).
- 6.2.** As part of the current Medium Term Financial Plan, Departments are requested to update their efficiency/service rationalisation proposals for 2023/24. This includes identification of concrete and deliverable proposals to meet the best case requirement of £6.1m, along with an appraisal of possible service reductions for consideration, depending on the scale of the requirement.
- 6.3.** Officers will continue to refine the budget projections taking account of inflation factors, other pressures that may be identified and funding options/clarification.
- 6.4.** In Person Member seminars on budget proposals to be convened in January 2023.
- 6.5.** Public consultation on the budget proposals to take place in January 2023. Specific consultation methods will need to reflect any possible COVID19 alert level prevailing at the time, but additional efforts will be made to engage as widely as possible given the scale and importance of the challenge ahead.
- 6.6.** Scrutiny Committee consultation in January/February 2023.

7. RECOMMENDATION(S)

It is recommended that:

- 7.1.** Cabinet critically review the assumptions contained within the paper to agree a consensus for budget development, recognising the scale and uncertainty of the challenge ahead.

- 7.2.** At an absolute minimum, it is agreed that **concrete and deliverable** proposals are developed to meet the best case savings requirements of **£6.1 million**.
- 7.3.** Furthermore, areas for service reductions are identified in broad terms above the minimum £6.1m target, recognising many of these may be highly undesirable.
- 7.4.** Cabinet and Corporate Management Team to attend a budget development awayday in October to review budget reductions proposals and reconsider any change in assumptions based on updated information.

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CABINET 3rd OCTOBER 2022

COUNCIL'S REVENUE BUDGET MONITORING REPORT

Recommendations / key decisions required:

That the Cabinet receives the Budget Monitoring report and considers the budgetary position and appropriate corrective action.

In respect of significant overspends on specific budget areas, Chief Officers and Heads of Service to critically review options available to them to address the ongoing impact.

Reasons:

To provide the Cabinet with an update on the latest budgetary position as at 30th June 2022, in respect of 2022/23.

Relevant scrutiny committee to be consulted: N/A

Cabinet Decision Required	YES
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Council Decision Required	NO
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CABINET MEMBER PORTFOLIO HOLDER:

Cllr. Alun Lenny

Directorate: Corporate Services

Name of Director:
Chris Moore

Report Author:
Randal Hemingway

Designations:

Director of Corporate Services

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EXECUTIVE SUMMARY

Cabinet

3rd October 2022

The revenue budget monitoring reports as at 30th June 2022 are attached and indicate that:

COUNCIL FUND REVENUE ACCOUNT (Appendix A)

Overall, the monitoring report forecasts an overspend for the year at departmental level of £4,735k, with a forecast overspend on the Authority's net revenue budget of £4,767k.

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

- nationally negotiated pay offers (as yet unresolved) at much higher levels than budgeted, for which additional governmental funding is currently unknown. High level estimates are that this could be £7.1m above budget.
- overspends in service areas where budget reductions have been implemented, but progress against delivery of these is delayed, for example in Learning Disabilities
- a sustained reduction in commercial income, covering car parks, leisure centres and school meals
- capital financing underspends due to scheme delays and reduced need to borrow

As part of the 2022/23 budget setting process the Authority has agreed a £3m in year contingency budget which is currently held centrally which provides a partial offset to the general pressures above.

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

Chief Executive's Department

The Chief Executive Department is anticipating an underspend of £490k for the year. There are net underspends on Member pay and travelling, Registrars and staffing savings from vacant posts across the department, offset by overspends within People Management due to employing additional staff, mainly to deal with a recruitment backlog. There is also a shortfall in income on Land Charges, County Farms and Livestock Markets.

Operational budgets

The Chief Executive's section has an anticipated underspend of £145k, primarily due to staff being seconded to other sections along with an underspend on supplies and services.

There is an expected £333k overspend in the People Management section. This consists of £111k overspend in People Services HR on agency staff costs, to deal with the backlog in recruitment. There is also an overspend of £35k in payroll, due to past year efficiencies not yet being met. There is an anticipated overspend of £66k on Agile working due to an unfunded post. Employee Wellbeing is anticipating an overspend of £27k due to a shortfall in external income, and there is an overspend of £108k in Organisational Development due to an unfunded post (£49k), a one off cost for Investors in People Assessment (£26k) and a training efficiency target (£33k) not currently being met. This is offset by an underspend on DBS, due to fewer checks being undertaken than budgeted for

The ICT & Corporate Policy section are reporting a £77k underspend, largely due to part year vacant posts within the division. These have now been filled or are due to be filled imminently.

Admin and Law are showing an underspend of £277k. Members pay and travelling are underspent by £176k, and there is an additional £26k of income for work undertaken on behalf of the HRA. There is also additional income for DSU from external work of £29k along with a £15k saving on supplies and services. Legal services are expecting to be underspent by £55k due to vacancies that are being filled imminently. Central Mailing is also underspent by £22k due to a saving on franking machine leasing costs. There are also other small underspends on supplies and services within the division This is offset by an overspend on Land Charges of £55k due to a reduction in income, following a fall in demand for the service.

The Marketing and Media section are anticipating a £165k net underspend, made up of an overspend of £168k within Marketing and Media on salary costs, pending a staffing review within the whole division (2019/20 saving proposal), and also a loss of income streams from external partners such as ERW. This is offset by an underspend on staffing costs in the Customer Services Centres, Translation Unit and Yr Hwb. These will all form part of the divisional staffing review.

Statutory Services are reporting an underspend of £206k. This is made up of a saving on vacant posts of £23k pending a team review which has now been completed, along with a £115k underspend on Registrars largely due to income generated above the budgeted figure. Coroners are underspent by £15k as a result of the appointment of medical examiners by the NHS, resulting in less cases being referred to the coroner. Registration of Electors received a one off contribution towards canvassing costs from the electoral commission, resulting in a £52k underspend for the year.

The Regeneration division is anticipating a £47k overspend for the year. This is made up of an overspend of £86k due to a loss of income on Livestock markets, provision markets and

farms, largely due to an overall reduction in occupancy levels, along with small overspends on Supplies and services across the division.

This is offset by high levels of income due to continued high occupancy rates within industrial units and Commercial Properties of £41k.

Communities

The Communities Department is projecting an overspend of £1,619k for the year.

There are significant variances as the department continues to recover and respond to the post-pandemic phase.

Membership and use of our leisure centres declined to near nil in the pandemic and it was fully anticipated that income targets (attendances and memberships) could not recover fully this year. However they are on track to recover to pre pandemic levels by the end of the financial year. As a result there is a projected in year overspend in Leisure and Culture of £1,040k. Despite the encouraging trends, lost income to the service is likely to be £1,523k for this year. The service is mitigating the overspend by reducing costs on casual staff (£468k) and other minor expenditure (£15k) where possible.

Social Care services are projecting an overspend of £538k. Underspends are largely due to capacity issues in Residential Beds and Home Care provision where it remains difficult to recruit staff. Several initiatives have been launched to address this albeit success in recruitment to meet assessed need is likely to worsen the financial position. Overspends are due to increased demand for services e.g. Direct Payments and in areas where budget savings proposals remain difficult to deliver as Social Work teams have prioritised the safe delivery of key services, meaning that the department has been unable to progress some of the planned savings' proposals. In year inflationary pressures on the sector make the financial position additionally challenging.

Older People's budgets are forecasting an underspend of £1,162k. There are significant underspends in Residential Beds due to reduced associated costs as a result of fewer occupied beds, reduced provision of day services due to COVID19 restrictions and on-going staff vacancies.

Physical Disabilities services are underspent by £109k. This is due to reduced associated costs because of fewer residential and supported living placements and on-going staff vacancies, offset by high demand for Direct Payments.

In Learning Disability services, there is an overspend of £1,407k. Budgetary pressure remains on Residential and Group Homes / Supported Living as the savings target are difficult to deliver due to COVID19 restrictions and an under-developed market for care in West Wales. Families of adults with learning disabilities are finding it increasingly challenging to cope resulting in more demand for formal care. Also, an increased demand for Direct Payments and a lack of availability of alternative provision due to COVID restrictions has added further pressure. These pressures have been offset with savings due to the reduction of Day Services and Community Support.

The overspend in Mental Health of £364k is due to increased demand with the main budget pressure in Residential Beds and Group Homes / Supported Living as the savings target are difficult to deliver due to COVID19 restrictions, an increased demand for Direct Payments, partly offset by on-going staff recruitment difficulties.

Support Services is forecasting an overspend of £38k. The service is planning corrective action to resolve this small underspend.

Council Funded Housing and Public Protection Services are reporting a £42k overspend.

Corporate Services

The Corporate Services Department is anticipating a £794k underspend for the year.

There is a £324k underspend on pre LGR pension costs along with a £241k underspend on Council Tax Reduction and a £105k underspend on Rates Relief due to lower than budgeted take up of both schemes.

There are also underspends on salaries due to vacancies across the department, and staff not yet at the top of their scale, along with a reduction in audit fees and some additional income for work undertaken for external organisations.

These underspends are offset by an overspend of £112k on Rent Allowances. This service is demand led and is subject to fluctuation year on year.

Department for Education and Children

The Department for Education and Children is forecasting a net overspend of £3,854k at year end.

The main adverse budget variations relate to: increased demand for Additional Learning Needs provision £1,059k; Schools Meals based on existing costs and income levels £1,250k; Out of County placement due to two highly complex placements £611k; Commissioning and Social Work £627k, Fostering & other looked after services £469k and Short breaks and direct payment £440k have all seen an increase in demand.

Schools Delegated Budgets

Schools working budgets are forecasting a net overspend in year of £8.4m, with a mix of supporting their formula funding to enable appropriate provision, Covid recovery/catch up and some schools utilising their balances for additional maintenance or initiatives that they would not otherwise have had resources to fund.

This level of utilisation of school reserves will reduce the brought forward balance of £15.2m net surplus to £6.8m by year end.

Environment

The Environment department is forecasting an overspend of £545k for the financial year, largely due to increased costs in school transport and reduced income from Parking services.

The Business Support division is estimating a £52k overspend for the year £33k of which is due to additional resource required to cover sickness in the Cleaning service, plus other smaller overspends within the division.

The Waste and Environmental Services division is forecasting a £187k underspend, mainly due to staff vacancies of £135k, a £56k surplus on Green Waste collections due to an

increased customer base and a £20k underspend on Public Conveniences due to a change in legislation for standalone public conveniences, which are now eligible for a 100% business rates relief. These are off-set by a £25k underachievement of income against budget on the Sustainable Drainage Approval service.

Highways and Transportation are forecasting a £1,011k overspend for the year. The two main variances are the loss of income on Parking Services of £688k (previously reimbursed by WG) and a £587k overspend on school transport due to increases in fuel prices and tender prices. These pressures are partly offset by a £234k underspend on pay costs due to vacancies, staff reducing hours or not on top of their grades.

The Property Division is estimating a £19k underspend for the year, this is a net effect of the HOS post being vacant and the potential reduction in income from the CHS contract based on the current works programme.

The Place and Sustainability Division is forecasting a £311k underspend, largely due to vacant posts within the team and savings on consultants' fees due to a covid-related delay in the LDP process.

HOUSING REVENUE ACCOUNT (Appendix B)

The HRA is predicting to be overspent by £511k for 2022/23, which will be funded through a contribution from reserves. This will be reviewed as the significant issues identified become clearer from a financial perspective.

Nationally negotiated pay offers (as yet unresolved) at much higher levels than budgeted, falls directly on the HRA to fund. High level estimates are that this could be £0.5m above budget.

Variances in Repairs and Maintenance (R&M) costs (+£24k) reflect the managers current position that they will operate near the existing allocated resources. However, given current inflation and the impact on construction industry capacity post-Covid and post-Brexit including significantly increasing pay, energy, fuel, and construction materials costs, there will continue to be upwards pressure on contractor rates and reduced availability as we progress through 2022/23. This pressure of contractor rates could be as high as 10% or £1m+ on the R&M budget, future budget monitoring will show this developing scenario linked to industry capacity.

Other potential pressures during 2022/23 include impact of interest rates on capital financing costs in the HRA.

Lists of the main variances are attached to this report.

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

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

Signed: Chris Moore

Director of Corporate Services

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

Council Fund

Overall, the Authority is forecasting an overspend of £4,767k at this point in time. The final out-turn position will be significantly influenced by the level of pay awards agreed, and the extent of any additional funding forthcoming to meet this unforeseen and exceptional pressure.

HRA

The HRA is predicting to be overspent by £511k for 2022/23.

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 – Not applicable
2. Local Member(s) – Not applicable
3. Community / Town Council – Not applicable
4. Relevant Partners – Not applicable
5. Staff Side Representatives and other Organisations – Not applicable

**CABINET MEMBER PORTFOLIO
HOLDER(S) AWARE/CONSULTED**
NO

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
2022/23 Budget		Corporate Services Department, County Hall, Carmarthen

REPORT OF THE DIRECTOR OF CORPORATE SERVICES

CABINET 3rd OCTOBER 2022

COUNCIL'S BUDGET MONITORING REPORT 2022/23

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

Table 1

Forecasted for year to 31st March 2023

Department	Working Budget				Forecasted				June 2022 Forecasted Variance for Year
	Controllable Expenditure	Controllable Income	Net Non Controllable	Total Net	Controllable Expenditure	Controllable Income	Net Non Controllable	Total Net	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Chief Executive	36,065	-14,716	-4,140	17,210	36,382	-15,522	-4,140	16,720	-490
Communities	175,771	-69,969	13,794	119,596	178,811	-71,391	13,795	121,215	1,619
Corporate Services	79,849	-46,040	-1,693	32,116	74,648	-41,633	-1,693	31,322	-794
Education & Children (incl. Schools)	190,904	-26,416	22,906	187,395	221,972	-53,629	22,906	191,249	3,854
Environment	136,036	-83,504	13,252	65,784	131,977	-78,900	13,251	66,329	545
Departmental Expenditure	618,624	-240,644	44,120	422,100	643,790	-261,075	44,120	426,835	4,735
Unfunded pay offers (above budget):									
NJC Staff (employers' offer)				0				6,500	6,500
Teachers (IWPRB recommendation)				0				600	600
Corporate Contingency				0				-3,000	-3,000
Capital Charges/Interest/Corporate				-17,694				-18,444	-750
Levies and Contributions:									
Brecon Beacons National Park				154				152	-2
Mid & West Wales Fire & Rescue Authority				11,170				11,170	0
West Wales Corporate Joint Committee				155				155	0
Net Expenditure				415,885				423,968	8,082
Transfers to/from Departmental Reserves									
- Chief Executive				0				245	245
- Communities				0				-982	-982
- Corporate Services				0				397	397
- Education & Children (incl Schools)				0				-2,431	-2,431
- Environment				0				-545	-545
Net Budget				415,885				420,653	4,767

Chief Executive Department
Budget Monitoring - as at 30th June 2022

CABINET 3rd OCTOBER 2022

Division	Working Budget				Forecasted				June 2022 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	
Chief Executive	859	0	-845	14	717	-4	-845	-132	-145
People Management	4,680	-1,585	-2,619	476	6,087	-2,659	-2,619	810	333
ICT & Corporate Policy	6,500	-964	-4,785	752	6,457	-997	-4,785	675	-77
Admin and Law	4,964	-876	703	4,791	4,713	-902	703	4,514	-277
Marketing & Media	2,834	-713	-1,430	691	2,482	-526	-1,430	525	-165
Statutory Services	1,444	-346	281	1,380	1,526	-633	281	1,174	-206
Regeneration	14,784	-10,233	4,555	9,106	14,399	-9,802	4,555	9,153	47
GRAND TOTAL	36,065	-14,716	-4,140	17,210	36,382	-15,522	-4,140	16,720	-490

Chief Executive Department - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Chief Executive						
Chief Executive-Chief Officer	240	0	216	0	-24	Savings on supplies & services
Chief Executive Business Support Unit	618	0	501	-4	-121	3 staff on secondment, savings on supplies & services £15k.
People Management						
Agile Working Project	0	0	66	0	66	Unfunded post
Payroll	662	-365	688	-357	35	Past year efficiencies not yet being met
People Services – HR	1,174	-275	1,294	-285	111	Temporary increased resource employed to deal with recruitment backlog
Employee Well-being	815	-359	818	-335	27	Shortfall on budgeted external SLA income.
						Training efficiency target not currently being met (£33k). Investors in people assessment one off costs of £26k, Unfunded Welsh Language post previously funded from Risk Management fund.
Organisational Development	454	-40	529	-7	108	Review of DBS checks process & budget to be undertaken
DBS Checks	129	0	104	-1	-26	
Other variances					13	
ICT & Corporate Policy						
Information Technology	5,643	-921	5,586	-903	-39	Vacant posts, due to be filled from October
Chief Executive-Policy	722	-32	687	-35	-38	Vacant posts in early part of year, now mostly filled. One currently vacant due to be filled imminently.
Admin and Law						
						Underspend on members pay & allowances £154k, travelling costs £22k, supplies & services £4k, along with an additional £26k of income for work undertaken for the HRA.
Democratic Services	2,133	-290	1,953	-315	-206	Additional income for work undertaken for the Wales pension partnership £21k & PCC £8k, savings on supplies & services £15k.
Democratic Services - Support	526	0	512	-30	-44	Shortfall in income due to low demand for searches
Land Charges	141	-313	94	-211	55	Vacant post due to be filled from September. A number of staff at lower point of scale.
Legal Services	2,092	-273	2,038	-275	-55	Saving on franking machine leasing costs
Central Mailing	46	0	24	0	-22	
Other variances					-5	

Chief Executive Department - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Marketing & Media						
Marketing and Media	409	-171	438	-32	168	Overspend on salaries pending divisional realignment. Loss of income streams from external partners (e.g. ERW £80k). Looking at alternative potential partnership arrangements
Translation	595	-53	478	-53	-117	2 vacant posts pending divisional realignment & number of staff working reduced hours, savings on supplies & services.
Customer Services Centres	1,203	-362	1,039	-358	-160	12 posts vacant, difficulty in filling posts.
Yr Hwb, Rhydaman a Llanelli	174	-96	74	-53	-57	2 vacant posts pending divisional realignment, offset partly by less income from decreased demand for desk rent space.
Statutory Services						
Registration Of Electors	176	-3	234	-113	-52	One off income received from Electoral Commission
Registrars	525	-343	569	-501	-115	Increase in anticipated income due to large number of ceremonies taking place.
Coroners	369	0	353	0	-15	Savings on supplies and Services
Electoral Services - Staff	265	0	242	0	-23	Vacant post. Due to be filled from October
Regeneration & Property						
Commercial Properties	34	-463	103	-558	-25	Occupancy levels relatively high
Industrial Premises	494	-1,519	519	-1,560	-16	Occupancy levels relatively high
County Farms	79	-351	79	-308	43	Income target not met due to current economic climate, along with some land no longer available to rent due to tree planting/ecological purposes.
Livestock Markets	62	-114	21	-38	35	Shortfall on income at Carmarthen and Llandovery Markets
Other variances					11	
Grand Total					-490	

Department for Communities
Budget Monitoring - as at 30th June 2022

CABINET 3rd OCTOBER 2022

Division	Working Budget				Forecasted				June 2022 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	
Adult Services									
Older People	71,878	-26,173	3,557	49,262	71,165	-26,622	3,557	48,100	-1,162
Physical Disabilities	8,275	-1,905	286	6,655	8,519	-2,259	286	6,546	-109
Learning Disabilities	43,472	-11,683	1,438	33,226	44,342	-11,147	1,438	34,633	1,407
Mental Health	11,076	-4,324	233	6,985	11,429	-4,314	233	7,349	364
Support	11,148	-6,649	1,167	5,667	11,140	-6,602	1,167	5,704	38
Homes & Safer Communities									
Public Protection	3,400	-1,278	532	2,655	3,390	-1,316	532	2,606	-48
Council Fund Housing	9,249	-8,027	798	2,020	12,051	-10,740	798	2,110	90
Leisure & Recreation									
Leisure & Recreation	17,273	-9,930	5,783	13,126	16,775	-8,392	5,783	14,167	1,040
GRAND TOTAL	175,771	-69,969	13,794	119,596	178,811	-71,391	13,795	121,215	1,619

Department for Communities - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Adult Services						
Older People						
Older People - Commissioning	4,220	-865	3,985	-865	-235	Recruitment issues re Social Workers. Additional budget has been allocated in 2022/23 and a wide range of initiatives are being launched to increase recruitment.
Older People - LA Homes	9,265	-4,286	9,635	-4,835	-179	Demand for residential placements is lower than pre-pandemic. Demand levels are increasing slowly. Recruitment issues re Care Workers. A wide range of initiatives are being launched to increase recruitment.
Older People - Private/ Vol Homes	28,743	-13,241	28,432	-13,241	-311	Demand for residential placements is lower than pre-pandemic. Demand levels are increasing slowly. Recruitment issues re Care Workers. A wide range of initiatives are being launched to increase recruitment.
Older People - LA Home Care	8,031	0	7,919	-0	-112	Demand for home care remains high but capacity to deliver is constrained by staff recruitment issues. A wide range of initiatives have been launched to address this.
Older People - Direct Payments	1,369	-313	1,473	-313	104	Demand for Direct Payments remains high as an alternative to other service provision
Older People - Enablement	2,132	-485	1,743	-485	-389	Demand for reablement services remains high but capacity to deliver is constrained by staff recruitment issues. A wide range of initiatives have been launched to address this.
Older People - Day Services	895	-84	687	-12	-136	Provision of day services is reduced compared to pre-pandemic levels.
Older People - Other variances					95	
Physical Disabilities						
Phys Dis - Private/Vol Homes	1,615	-313	1,318	-313	-297	Demand for residential placements is lower than pre-pandemic. Demand levels are increasing slowly.
Phys Dis - Group Homes/Supported Living	1,228	-174	1,018	-174	-210	Demand for Supported Living placements is lower than pre-pandemic. Demand levels are increasing slowly.
Phys Dis - Direct Payments	2,957	-603	3,497	-603	540	Demand for Direct Payments remains high as an alternative to other service provision
Phys Dis - Other variances					-142	

Department for Communities - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Learning Disabilities						
Learn Dis - Employment & Training	1,921	-279	1,582	-63	-123	Provision of LD day services is reduced compared to pre-pandemic levels.
Learn Dis - Private/Vol Homes	11,996	-4,482	12,827	-4,482	831	Whilst demand for LD Residential Placements has not increased significantly, the budget has been reduced to reflect efficiency proposals. The delivery of this has been delayed.
Learn Dis - Direct Payments	4,328	-572	4,729	-572	401	Demand for Direct Payments remains high as an alternative to other service provision
Learn Dis - Group Homes/Supported Living	11,081	-2,295	12,037	-2,295	956	Whilst demand for LD Supported Accommodation has not increased significantly, the budget has been reduced to reflect efficiency proposals. The delivery of this has been delayed.
Learn Dis - Day Services	2,701	-464	2,388	-364	-213	Provision of LD day services is reduced compared to pre-pandemic levels.
Learn Dis - Private Day Services	1,048	-84	808	-84	-240	Provision of LD day services is reduced compared to pre-pandemic levels.
Learn Dis - Adult Placement/Shared Lives	2,940	-1,992	2,547	-1,772	-173	Provision of LD day services which forms part of the Shared Lives Services, is reduced compared to pre-pandemic levels.
Learn Dis - Other variances					-33	
Mental Health						
M Health - Commissioning	1,558	-154	1,252	-143	-296	Recruitment issues re Social Workers. Additional budget has been allocated in 2022/23 and a wide range of initiatives are being launched to increase recruitment.
M Health - Private/Vol Homes	6,628	-3,377	6,986	-3,377	358	Whilst demand for MH Residential Placements has not increased significantly, the budget has been reduced to reflect efficiency proposals. The delivery of this has been delayed.
M Health - Group Homes/Supported Living	1,431	-466	1,643	-466	212	Accommodation and Efficiency project plans for strategic longer term future accommodation options as well as current client group has experienced delays due to COVID19. The Progression & Review Team will prioritise Rightsizing in Supported Living in 2022.
M Health - Direct Payments	166	-45	320	-45	154	Demand for Direct Payments remains high as an alternative to other service provision
M Health - Other variances					-64	
Support						
Other Variances - Support					38	

Department for Communities - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Homes & Safer Communities						
Public Protection						
PP Business Support unit	160	0	138	0	-22	Under on salaries & supplies & services
Noise Control	227	0	188	0	-40	Under on salaries
Animal Welfare	87	-87	84	-41	43	Under achievement of income, mainly due to reduction in licensed dog breeders
Dog Wardens	105	-30	119	-23	20	Increase in abandoned dogs & not reclaimed
Trading Standards Services Management	94	-40	30	-40	-65	Staff Vacancy
Safeguarding, Licensing & Financial Investigation	96	0	74	0	-23	Under on salaries & Supplies & Services
Fair Trading	154	-68	145	-35	24	Under achievement on Income & over on travel
Other Variances					15	
Council Fund Housing						
Independent Living and Affordable Homes	121	-45	-9	53	-32	Savings on supplies & services budget.
Temporary Accommodation	533	-113	1,219	-712	87	Increased pressure on service previously funded through Hardship Grant. Alternative accommodation options currently being developed e.g. more dispersed /smaller schemes
Social Lettings Agency	846	-839	862	-826	28	Potential reduction in commission rates as a result of current market forces. New landlord offer being developed to sustain existing landlords and attract new ones.
Other variances					7	
Leisure & Recreation						
Pendine Outdoor Education Centre	557	-375	409	-183	45	Income shortfall for Board & Accom (COVID19 recovery) £192k offset by reduced staffing requirement £106k along with various underspends in Premises and S & S headings
Newcastle Emlyn Sports Centre	337	-192	307	-121	41	Income shortfall (COVID19 recovery) £71k offset by in year vacancies / lower use of casual staff £15k, along with various underspends in S & S headings
Carmarthen Leisure Centre	1,513	-1,616	1,378	-1,202	279	Income shortfall (COVID19 recovery) £414k offset by in year vacancies / lower use of casual staff £135k
Amman Valley Leisure Centre	960	-856	922	-668	150	Income shortfall (COVID19 recovery) £188k offset by in year vacancies / lower use of casual staff £38k

Department for Communities - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Llandovery Swimming Pool	376	-259	384	-142	125	Income shortfall (COVID19 recovery) £117k along with minor forecast overspend on Employee costs £7k
Gwendraeth Sports Centre	0	0	-38	0	-38	Credit relating to backdated NNDR
Catering - Sport Centres	320	-297	254	-214	17	Income shortfall (COVID19 recovery) £83k offset by in year vacancies / lower use of casual staff £24k, along with forecast underspend in the cost of catering £42k
Llanelli Leisure Centre	1,297	-1,094	1,257	-799	255	Income shortfall (COVID19 recovery) £296k offset by in year vacancies / lower use of casual staff £30k, along with various underspends in S & S headings
Outdoor Recreation - Staffing costs	423	0	370	0	-53	In year vacancies due to implementation of staffing restructure
Pembrey Country Park	873	-1,139	992	-1,167	90	Forecast overspend due to essential on site maintenance
Pembrey Country Park Restaurant	519	-382	529	-442	-51	Forecast to over achieve income to budget
Parc Howard Museum	151	-99	150	-87	11	Unable to achieve income target as site closed for most of 2022/23
Museum of speed, Pendine	89	-27	76	-2	12	Unable to achieve income target as site closed for most of 2022/23
Museums General	158	0	221	0	63	Unable to achieve vacancy factor, a legacy of undelivered PBB's and unfunded post
Archives General	156	-10	179	-9	24	Unfunded post
Arts General	16	0	1	0	-15	Vacant post being held pending restructure
St Clears Craft Centre	111	-39	68	-15	-19	Vacant posts being held pending potential community run venture
Laugharne Boathouse	157	-117	157	-71	46	Income shortfall (COVID19 recovery)
Lyric Theatre	417	-315	373	-289	-19	Forecast underspend on cost of Performance Fees
Y Ffwrnes	813	-486	741	-365	49	Income shortfall (COVID19 recovery) £116k, offset by forecast underspend on cost of Performance Fees £42k and cost of catering £25k
Attractor - Management	0	0	27	0	27	Forecast cost of Project Manager post (6 mths) not funded
Attractor - Externals	7	-58	5	-26	30	£25k PBB proposal for Attractor site not yet achievable due to delays in contract completion
Leisure Management	460	-3	434	-3	-26	In year staff vacancy
Other Variances					-5	
Grand Total					1,619	

Corporate Services Department
Budget Monitoring - as at 30th June 2022

CABINET 3rd OCTOBER 2022

Division	Working Budget				Forecasted				June 2022 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	
Financial Services	15,750	-2,788	-863	12,098	15,126	-2,583	-863	11,679	-419
Revenues & Financial Compliance	64,099	-43,252	-830	20,018	59,522	-39,050	-830	19,643	-375
GRAND TOTAL	79,849	-46,040	-1,693	32,116	74,648	-41,633	-1,693	31,322	-794

Corporate Services Department - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Financial Services						
Treasury and Pension Investment Section	277	-200	270	-217	-25	Additional income for work undertaken for Wales Pension Partnership
Grants and Technical	357	-114	312	-87	-18	Vacant post due to be filled (est October)
Payments	581	-79	567	-80	-14	Vacant post due to be filled from September
Audit Fees	325	-96	300	-96	-25	A proportion of audit fees are chargeable directly to grants
Miscellaneous Services	10,016	-125	9,648	-81	-324	£324k underspend on pre LGR pension costs
Other variances					-14	
Revenues & Financial Compliance						
Procurement	638	-36	602	-36	-36	Savings from staff member working reduced hours and a number of posts currently at lowest point on the salary scale
Audit	511	-20	475	-40	-56	1 vacant post estimated to be filled in September, 1 recently filled post and one post working at reduced hours
Local Taxation	986	-763	931	-771	-63	Savings on 4 vacant posts to date. Two have been filled, and two remain vacant and are being covered by agency following failure to recruit.
Council Tax Reduction Scheme	17,249	0	17,008	0	-241	Underspend based on latest demand figures.
Rent Allowances	41,323	-41,540	37,206	-37,311	112	Projections on expenditure based on 2021/22 claims
Rates Relief	289	0	184	0	-105	Low take-up anticipated in 2022/23. Based on current demand.
Housing Benefits Admin	1,750	-753	1,573	-756	-180	11 vacant posts. Estimated to be filled from November. Number of posts on lower points of the scale.
Revenues	984	-139	1,176	-135	195	£100k increase in bank charges over budget due to increased number of card payments. £95k one off essential software upgrade
Other variances					-2	
Grand Total					-794	

Department for Education & Children
Budget Monitoring - as at 30th June 2022

CABINET 3rd OCTOBER 2022

Division	Working Budget				Forecasted				June 2022 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	
Schools Delegated Budgets	148,160	-20,125	0	128,035	156,560	-20,125	0	136,435	8,400
Transfer from Reserves				0		-8,400		-8,400	-8,400
Director & Strategic Management	2,578	0	-109	2,469	1,621	0	-109	1,512	-957
Education Services Division	5,068	-1,332	17,587	21,323	7,347	-2,648	17,587	22,286	963
Access to Education	3,394	-103	1,339	4,630	10,599	-6,062	1,339	5,875	1,245
School Improvement	2,152	0	460	2,613	3,344	-1,176	460	2,628	16
Curriculum & Wellbeing	6,435	-1,124	895	6,206	10,509	-4,966	895	6,438	232
Children's Services	23,117	-3,733	2,734	22,118	31,991	-10,251	2,734	24,474	2,355
TOTAL excluding schools	42,744	-6,291	22,906	59,359	65,412	-25,104	22,906	63,214	3,854
GRAND TOTAL	190,904	-26,416	22,906	187,395	221,972	-53,629	22,906	191,249	3,854

Department for Education & Children - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Director & Strategic Management						
Director & Management Team	2,208	0	1,255	0	-953	Growth & remainder of budget held back from budget review 2021/22 - to be allocated by Director to service pressures below
Other variances					-4	
Education Services Division						
School Redundancy & EVR	2,133	0	2,038	0	-96	Commitments are based on known redundancies at this time and therefore forecast is subject to fluctuation
Additional Learning Needs	2,461	-1,332	4,347	-2,159	1,059	£800k overspend relates to Statementing. £320k for increased number of children placed Out of County.
Access to Education						
School Admissions	317	0	268	0	-49	Part year vacant posts currently being recruited to
School Modernisation	142	0	229	-41	45	£36k closed schools & £9k additional transport costs following school reorganisations
School Meals & Primary Free Breakfast Services	2,934	-103	10,102	-6,021	1,250	Based on existing costs and income levels for school meals £1.1m. Primary breakfast contributions for care element shortfall £91k & increased costs of food & labour £60k. Does not reflect any forecasting regarding UPFSM.
School Improvement						
School Improvement	1,484	0	1,499	0	15	
Other variances					1	
Curriculum and Wellbeing						
Music Services for Schools	333	0	1,590	-1,212	46	SLA income insufficient to cover core staffing costs to deliver this SLA provision.
Education Other Than At School (EOTAS)	3,396	-226	3,819	-393	255	Overspend on salaries, due to current staffing level pressures and high agency costs.
School Information Systems	370	-28	302	-28	-68	Part year vacant posts being reviewed as part of current restructure
Children's Services						
Commissioning and Social Work	7,814	-109	8,492	-159	627	Increased staff £90k & agency staff £282k costs forecast re additional demand & difficulty recruiting permanent staff, additional demand forecast for assistance to clients and their families £105k and legal costs £150k with additional external provision due to increased complexity of cases.

Department for Education & Children - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Corporate Parenting & Leaving Care	971	-58	1,075	-294	-132	Maximisation of grant income supporting priorities the service had already identified and have staff working on (£87k). Underspend forecast on Board & Lodge costs will lower numbers currently (£45k).
Fostering & Other Children Looked After Services	4,271	0	4,739	0	469	Increase in Special Guardianship Orders (SGO's) £26k, increased fostering costs including transport to school costs £41k re demand & increased fuel costs, enhancement costs re more complex children in placements £57k, boarded out costs re demand, allowance increases and additional payments due to connected carers £215k, one off IT equipment purchases for Carers £46k and cost of an extension for 1 family £32k, promotion & marketing costs £17k, panel member costs £15k, other misc costs £20k.
Adoption Services	564	0	1,117	-481	71	Increased staffing costs re ongoing service demands and maternity leave cover required for 3 members of the team.
Out of County Placements (CS)	376	0	987	0	611	2 new highly complex placements in 2022/23 .
Residential Units	838	-354	1,596	-764	347	£241k forecast overspend on staffing costs at the Rhydygors Residential Unit based on costs to date and expected costs from 1st September, when setting officially transfers to Children's Services. Due to no return being received, other non-staff costs are not included within the forecast. £106k in relation to Garreglwyd - non achievement of efficiency saving in relation to selling places / beds to other counties. This projected outturn position assumes £468k income from Hywel Dda University Health Board.
Short Breaks and Direct Payments	596	0	1,038	-2	440	Increased demand for Direct Payments since change in legislation, further pressures linked to COVID19 & lack of commissioned services available £269k. Increased demand for 1-2-1 support under Short Breaks due to lack of available location based services £171k.
Other Family Services incl Young Carers and ASD	946	-577	873	-590	-86	Maximisation of grant income, partially offsetting overspends elsewhere within the division.
Children's Services Mgt & Support (inc Eclipse)	1,165	-164	1,435	-460	-26	1 member of staff on long term sick leave, no pay forecast from December 2022 onwards.
Educational Psychology	1,074	-184	1,271	-344	37	Ongoing demand for additional staff, partly arising from COVID19 pandemic.
Other Variances					-3	
Grand Total					3,854	

Environment Department
Budget Monitoring - as at 30th June 2022

CABINET 3rd OCTOBER 2022

Division	Working Budget				Forecasted				June 2022 Forecasted Variance for Year £'000
	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	Expenditure £'000	Income £'000	Net non- controllable £'000	Net £'000	
Business Support & Performance	4,273	-3,878	492	887	4,412	-3,966	492	939	52
Waste & Environmental Services	28,964	-4,795	1,399	25,568	28,590	-4,609	1,399	25,381	-187
Highways & Transportation	56,630	-32,886	10,132	33,875	55,315	-30,560	10,132	34,887	1,011
Property	40,945	-39,970	899	1,874	38,608	-37,651	899	1,855	-19
Place and Sustainability	5,224	-1,974	330	3,579	5,052	-2,113	330	3,268	-311
GRAND TOTAL	136,036	-83,504	13,252	65,784	131,977	-78,900	13,251	66,329	545

Environment Department - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Business Support & Performance						
Facilities Management - Building Cleaning	4,311	-3,783	4,443	-3,882	33	Additional resource (agency) required to cover sickness. Issues retaining and recruiting staff are leading to additional pressures.
Other variances					19	
Waste & Environmental Services						
Waste & Environmental Services Unit	-12	0	-85	0	-73	Interim staffing complement, recruitment will be reviewed in the Autumn.
SAB - Sustainable Drainage approval Body Unit	132	-134	130	-108	25	Anticipated income not materialised - Dependent on number of submissions and market buoyancy of development projects
Environmental Enforcement	589	-19	529	-20	-62	Underspend relates to vacated post. Work underway to assess future needs.
Public Conveniences	216	-6	196	-6	-20	Due to a change in legislation with effect from the 1st of April 2020, Business Rates for stand alone public conveniences are now eligible for a 100% rate relief
Green Waste Collection	574	-446	616	-543	-56	Increased customer base
Other variances					-1	
Highways & Transportation						
Departmental Pooled Vehicles	0	0	16	0	16	Under-utilisation of pool vehicles
School Transport	12,534	-946	13,221	-1,046	587	£354k estimated additional cost of fuel price increases, £233k estimated additional tender price increases.
Car Parks	2,108	-3,340	1,860	-2,404	688	Parking income not achieving income targets due to reduced footfall in town centres. WG reimbursement is no longer available.
Nant y Ci Park & Ride	85	-34	80	-18	12	Reduced demand on the service
Road Safety	248	-5	164	-0	-79	-£19k - 6 months vacant Assistant Road Safety Officer; -£16k - part-time Asst Road Safety Officer; Estimated -£55k for time recharged to grants
School Crossing Patrols	160	0	134	0	-26	Several posts have become vacant and will not be refilled
Technical Surveys	510	0	487	0	-24	Vacant Technician post - estimated to be filled by October 2022
Highway Lighting	2,611	-1,221	2,204	-841	-28	Vacant Assistant public lighting engineer post estimated to be filled by September/October 2022
Public Rights Of Way	1,057	-75	938	-77	-121	Savings on pay due to reduced hours; vacancies during the first and second quarters and officers not on top of scale
Other variances					-14	

Environment Department - Budget Monitoring - as at 30th June 2022

Main Variances

CABINET 3rd OCTOBER 2022

Division	Working Budget		Forecasted		June 2022	Notes
	Expenditure	Income	Expenditure	Income	Forecasted Variance for Year	
	£'000	£'000	£'000	£'000	£'000	
Property						
Property Division Business Unit	140	0	0	0	-140	No commitment for HOS post
Design Services CHS Works	4,232	-4,437	2,525	-2,610	121	The recovery is based on percentage of the contractor costs and the lack of contractor availability means the contractor costs are not sufficient to meet the surplus target.
Place and Sustainability						
Building Control	687	-509	654	-451	25	Income shortfall offset by vacant post estimated to be filled in November
Forward Planning	731	0	640	-0	-91	Vacant posts, one filled, other two to recruit in near future & estimated less spend on consultants & general fees
Development Management	1,839	-948	1,681	-948	-159	£230k underspend on pay costs due to vacant posts (4 estimated to be filled by September), reduced hours or not on top of scale, offset by additional agency, fees & travel costs.
Conservation	485	-13	505	-57	-24	Some officers not on top of grade
Net Zero Carbon Plan	135	0	79	0	-55	Vacant post estimated to be filled in September & less spend on legal & consultants fees
Other Variances					-7	
Grand Total					545	

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Housing Revenue Account - Budget Monitoring as at 30th June 2022

	Working Budget £'000	Forecasted £'000	June 22 Variance for Year £'000	Notes
Expenditure				
Repairs & Maintenance				
Responsive	2,065	2,076	11	Budget managers are currently predicting an on-target end of year revenue maintenance budget spend. However, given current inflation and the impact on construction industry capacity post-Covid and post-Brexit including significantly increasing pay, energy, fuel, and construction materials costs, there will continue to be upwards pressure on contractor rates and reduced availability as we progress through 2022/23 e.g. the Minor Works Framework is due inflation increases to the tendered Schedule of Rates and this is currently under negotiation with contractors. Remaining within budget may require delivering less with our allocated financial resources and this will become clearer as data becomes available post negotiations with contractors. Budget managers will continue to respond to these fluctuations to ensure that expenditure remain within allocated budgets and the review of the 3-year HRA Business Plan later in the year will identify appropriate adjustments to future budget allocations to reflect the position at that time.
Minor Works	3,464	3,464	0	
Voids	3,934	3,947	13	
Servicing	1,934	1,934	0	
Drains & Sewers	157	157	-0	
Grounds	849	849	0	
Unadopted Roads	118	118	0	
Supervision & Management				
Employee	5,917	6,237	320	
Premises	1,358	1,358	0	Impact of probable pay award compared to budgeted salary costs. This will become clearer when negotiations on pay increases conclude.
Transport	36	36	-0	
Supplies	922	922	0	
Recharges	865	1,034	170	Impact of probable pay award compared to budgeted salary costs. This will become clearer when negotiations on pay increases conclude.
Provision for Bad Debt	594	594	0	
Capital Financing Cost	14,923	14,923	0	Detailed analysis in progress to assess impact of interest rate increases on capital financing costs.
Central Support Charges	1,811	1,811	-0	
Direct Revenue Financing	10,000	10,000	0	
Total Expenditure	48,945	49,459	514	

Housing Revenue Account - Budget Monitoring as at 30th June 2022

	Working Budget	Forecasted	June 22 Variance for Year	
	£'000	£'000	£'000	
Income				
Rents	-43,608	-43,608	-0	Prediction close to target for rent due and voids
Service Charges	-849	-849	0	
Supporting People	-70	-70	0	
Interest on Cash Balances	-5	-5	0	Income will be greater with increases in interest rates. Detailed analysis in progress.
Grants	-296	-296	-0	
Insurance	-221	-221	-0	
Other Income	-496	-498	-3	
Total Income	-45,545	-45,547	-3	
Net Expenditure	3,401	3,912	511	

HRA Reserve	£'000
Balance b/f 01/04/2022	21,895
Budgeted movement in year	-3,401
Variance for the year	-511
Contribution from Reserves	511
Balance c/f 31/03/2023	18,494

CABINET 3RD OCTOBER 2022

CAPITAL PROGRAMME 2022/23 UPDATE

Purpose: To report the latest projected outturn of the capital programme for the financial year and to agree the reprofiling of the budget.

Recommendations / key decisions required:

1. That the capital programme update report is received.
2. That the new projects are noted and agreed.

Reasons:

1. To provide an update of the latest budgetary position for the 2022/23 capital programme, as at the 30th June 2022.

Relevant scrutiny committee to be consulted N/A

Cabinet Decision Required YES

Council Decision Required NO

CABINET MEMBER PORTFOLIO HOLDER:

Cllr. Alun Lenny

Directorate: Corporate Services

Name of Head of Service:
Randal Hemingway

Report Author: Randal Hemingway

Designations:

Head of Financial Services

Tel: 01267 224886

Email addresses:

RHemingway@carmarthenshire.gov.uk

EXECUTIVE SUMMARY CABINET 3RD OCTOBER 2022

CAPITAL PROGRAMME 2022/23 UPDATE

The current capital programme is based on information available as at the end of June 2022. **Appendix A** shows a forecasted net spend of £140,696k compared with a working net budget of £147,962k, giving a **-£7,266k** variance.

The net budget includes the original H.R.A. and General Fund capital programmes approved by Council on 2nd March and slippage from 2021/22. Some of the budgets have also been amended to account for differences in actual grant allocations compared with the anticipated allocations at the time the programme was approved, and new grant awards received during the year to date.

Appendix B details the main variances within each department.

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

Public HRA Housing: £7,000k for the purchase and renovation of HRA dwellings funded inhouse from funds displaced by Welsh Government grants in 2021/22.

Private Housing: £98k additional award of ENABLE grant to support independent living. This raises the funding available to £368k for **2022/23**.

Leisure: £50k additional funding from Sport Wales towards Amman Valley 3G Pitch. This takes the total grant from Sport Wales for this project to £350k.

Regeneration: Virements to distribute the Strategic Transformation fund to nominated projects: Llandeilo Market Hall - £991K, Transforming Towns - £700K, Pendine Attractor - £45K, Rural Enterprise Fund - £100K. Virement of £28k from Ammanford Town Centre Regeneration to the Carregamman Carpark Project.

Environment: £504k awarded for small scale flood defence works which will be match funded by a revenue contribution of £89k. £60k has been awarded for flood mitigation at Kidwelly.

New funding of £80k for Rights of Way and Access improvement.

New awards for Transport projects: Safe Routes in Communities at Swiss Valley and Felinfoel, £498k, and Peniel, £166k. Road Safety £280k. 20mph Speed Limits £797k. Bus Infrastructure £600k. Active Travel £732k. Llanelli Masterplan £748k.

Local Funds for Nature Projects £207k across the county including funding for projects delivered by third parties, namely Dyfed Powys Police and Trinity St David's University.

Education and Children: Grant funding of £4,196k has been award for a Welsh Language Immersion Centre and additional classroom capacity at Ysgol Y Strade.

A new project supported by displaced funding from 2021/22 of £1,507k for capital works associated with the Rollout of Free School Meal in Primary Schools.

A new award of £1,256k has been received to facilitate and aid the opening of school resources to the wider community.

A new award of £213k for Flying Start Projects.

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

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

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

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

3. Finance

The capital programme shows an in-year forecasted variance of **-£7,266k** against the 2022/23 approved budget as at 30th June 2022.

7. Physical Assets

The capital programme will have an impact on the physical assets owned by the Authority.

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 MEMBER PORTFOLIO
HOLDER(S) AWARE/CONSULTED**
NO

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
2022/23 Capital Programme		Corporate Service Department, County Hall, Carmarthen. On-line via corporate website – Minutes of County Council Meeting 2 nd March 2022.

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Capital Programme 2022/23							
Capital Budget Monitoring - Report for June 2022							
	Working Budget			Forecasted			Variance for Year
Department	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000	
Public Housing	49,711	-15,330	34,381	44,402	-15,330	29,072	-5,309
Private Housing	3,994	-368	3,626	3,994	-368	3,626	0
Leisure	3,738	-1,248	2,490	2,782	-248	2,534	44
Social Care	397	0	397	397	0	397	0
Environment	41,907	-14,146	27,761	38,760	-11,106	27,654	-106
Education & Children	72,927	-42,559	30,368	69,711	-39,799	29,912	-456
Chief Executive	3,004	0	3,004	2,850	-48	2,802	-202
Regeneration	89,321	-43,386	45,935	85,360	-40,661	44,699	-1,237
TOTAL	264,999	-117,037	147,962	248,256	-107,560	140,696	-7,266

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Capital Programme 2022/23						
Capital Budget Monitoring - Report for June 2022 - Main Variances						
DEPARTMENT/SCHEMES	Working Budget			Forecasted		
	Expenditure £'000	Income £'000	Net £'000	Expenditure £'000	Income £'000	Net £'000
COMMUNITIES						
- Public Housing	49,711	-15,330	34,381	44,402	-15,330	29,072
Sewage Treatment Works Upgrading	20	0	20	20	0	20
Internal and External Works (Property)	19,557	0	19,557	18,768	0	18,768
Environmental Works (Housing Services)	450	0	450	450	0	450
Adaptations and Equalities Works (Building Services)	2,000	0	2,000	2,000	0	2,000
Programme Delivery and Strategy	1,056	0	1,056	1,056	0	1,056
Housing Development Programme	25,527	0	25,527	21,163	0	21,163
Retrofit and Decarbonisation	1,101	0	1,101	945	0	945
MRA and IHP Grants Income	0	-15,330	-15,330	0	-15,330	-15,330
- Private Housing	3,994	-368	3,626	3,994	-368	3,626
Disabled Facilities Grant (DFG)	2,979	0	2,979	2,979	0	2,979
ENABLE - Adaptations to Support Independent Living	368	-368	0	368	-368	0
Travellers Sites	25	0	25	25	0	25
Empty Properties Initiatives	622	0	622	622	0	622
- Leisure	3,738	-1,248	2,490	2,782	-248	2,534
Amman Valley Leisure Centre Masterplan	1,050	0	1,050	1,050	0	1,050
Oriel Myrddin Redevelopment	1,725	-1,000	725	725		725
Libraries & Museums	400	0	400	365	0	365
Burry Port Harbour Walls	34	0	34	34	0	34
Country Parks	529	-248	281	608	-248	360
- Social Care	397	0	397	397	0	397
ENVIRONMENT	41,907	-14,146	27,761	38,760	-11,106	27,654
Highways & Infrastructure	34,611	-14,146	20,465	31,465	-11,106	20,359
Property	7,295	0	7,295	7,295	0	7,295

Variance for Year £'000	Comment
-5,309	
0	
-789	Void Project is accelerated but there are supply chain issues with other schemes.
0	
0	
0	
-4,364	Continuing supply chain issues. The Purchase of new properties also depends on the supply in the market for suitable properties in areas of demand.
-156	Delays with Caemawr retrofit project.
0	
0	
0	
0	
0	
0	
44	
0	
0	
-35	
0	
79	£79k additional spend on Morfa Bacas subject to an additional funding bid report.
0	
-106	
-106	Main Variances: £-111k against Murray Street Car Park which is needed for future works.
0	

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CABINET 3RD OCTOBER 2022

TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT 1ST APRIL 2022 TO 30TH JUNE 2022

Recommendations / key decisions required:

That the Cabinet considers and approves the report.

Reasons:

To provide members with an update on the treasury management activities from 1st April 2022 to 30th June 2022.

Pre-Cabinet:

Relevant scrutiny committee to be consulted

YES

Scrutiny committee and date

Policy & Resources Scrutiny Committee 19/10/2022

Cabinet Decision Required	YES
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Council Decision Required	NO
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CABINET MEMBER PORTFOLIO HOLDER:- Cllr. A. Lenny

Directorate: Corporate Services Name of Director: Chris Moore Report Author: Anthony Parnell	Designation: Director of Corporate Services Designation: Treasury and Pension Investments Manager	Tel No. 01267 224120; E Mail: CMoore@cararthenshire.gov.uk Tel No. 01267 224180; E Mail: AParnell@cararthenshire.gov.uk
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**EXECUTIVE SUMMARY
CABINET
03/10/2022**

Treasury Management and Prudential Indicator Report 1st April 2022 to 30th June 2022

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

To provide members with an update on the treasury management activities from 1st April 2022 to 30th June 2022.

DETAILED REPORT ATTACHED ?	YES
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IMPLICATIONS

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

Signed: **C Moore**

Director

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

Within the requirements of the Treasury Management Policy and Strategy Report 2022-2023

3. Finance

The authority's investments during the period returned an average return of 0.60%.

Gross interest earned on investments for the period amounted to £334k and interest paid on loans was £0.92m.

The Authority did not breach any of its Prudential Indicators during the period.

CONSULTATIONS

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

Signed: C Moore

Director

1. Scrutiny Committee

For information to Policy and Resources Scrutiny Committee on the 19/10/2022.

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

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

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

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection
CIPFA Treasury Management in the Public Services - Code of Practice Revised 2017		County Hall, Carmarthen

CABINET
03/10/2022

QUARTERLY TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT

1st April 2022 – 30th June 2022

A QUARTERLY TREASURY MANAGEMENT REPORT

1. Introduction

The Treasury Management Policy and Strategy for 2022-2023 was approved by Council on 2nd March 2022. Section B 1.1(2) stated that Treasury Management activity reports would be made during the year. This report outlines the Treasury Management activities in the period 1st April 2022 to 30th June 2022 and satisfies the reporting requirement stated above.

2. Economic Update

In June 2022, the Monetary Policy Committee (MPC) voted 6-3 in favour of a 0.25% increase to 1.25%, which was the first time in its 25-year history that the MPC had raised rates at five consecutive meetings. Nonetheless, over Q2, it is clear central banks in the developed economies have placed the dampening down of inflation pressures front and centre of their primary objectives, even if it comes at the cost of sluggish growth or, indeed, recession. The MPC is in step with this approach although the UK economy is dragging its feet to a greater extent than that seen in the US.

The CPI measure of inflation is already at 9.1%, and the Bank of England anticipates it will peak near to 11% just before the end of 2022. Given the number of geopolitical factors we would caution against taking a strong view on how interest rate movements evolve and instead focus on optimising balance sheet management and the risk management of investment and debt portfolios.

3. Investments

One of the primary activities of the Treasury Management operation is the investment of surplus cash for which the Authority is responsible. As well as the Authority's own cash the County Council invests School Trust Funds and other Funds, with any interest derived from these investments being passed over to the relevant Fund.

All surplus money is invested daily on the London Money Markets. The security of the investments is the main priority. Appropriate liquidity should be maintained and return on investments the final consideration. It continues to be difficult to invest these funds as the market continues to be insecure and as a consequence appropriate counterparties are limited.

The total investments at 1st April 2022 to 30th June 2022 analysed between Banks, Building Societies, Local Authorities and Money Market Funds, are shown in the following table:

Investments	01.04.22				30.06.22			
	Call and notice £m	Fixed Term £m	Total £m	%	Call and notice £m	Fixed Term £m	Total £m	%
Banks	39.50	0.00	39.50	25	27.50	7.00	34.50	16
Building Societies	0.00	7.00	7.00	4	0.00	7.00	7.00	4
Money Market Funds	25.00	0.00	25.00	17	20.00	0.00	20.00	10
DMADF (DMO)	0.00	57.00	57.00	36	0.00	116.50	116.50	55
Local Authorities	0.00	32.00	32.00	20	0.00	32.00	32.00	15
TOTAL	64.50	96.00	160.50	100	47.50	162.50	210.00	100

Investments on call are available immediately on demand.
Fixed term investments are fixed to a maturity date.

The DMADF (DMO) limit was increased in April 2022 to £125m from £100m by the Director of Corporate Services under Emergency powers. The limits on Money Market Funds were also increased to £10m (each) from £5m.

During the period the total investments made by the Council and repaid to the Council (the turnover) amounted to £633.50m. This averaged approximately £48.73m per week or £6.96m per day. A summary of turnover is shown below:

	£m
Total Investments 1st April 2022	160.50
Investments made during the quarter	341.50
Sub Total	502.00
Investments Repaid during the quarter	(292.00)
Total Investments at 30 June 2022	210.00

The main aims of the Treasury Management Strategy is to appropriately manage the cash flows of the Council, the required short term and longer term market transactions and the risks associated with this activity. Lending on the money market secures an optimum rate of return and also allows for diversification of investments and hence reduction of risk, which is of paramount importance in today's financial markets.

The investment rate the Council earned during the period was 0.60%.

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.

The gross interest earned on investments for the period amounted to £334k.

The income from investments is used by the Authority to reduce the net overall costs to the Council taxpayer.

4. Security, Liquidity and Yield (SLY)

Within the Treasury Management Strategy Statement for 2022-2023, the Council's investment priorities are:

- Security of Capital
- Liquidity and
- Yield

The Council aims to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover short term cash flow needs but also to seek out value available in significantly higher rates in periods up to 12 months with highly credit rated financial institutions.

Attached in Appendix 1 is the Investment Summary and Top 10 Counterparty Holdings as at 30th June 2022.

5. Borrowing

One of the methods used to fund capital expenditure is long term borrowing. The principal lender for Local Authorities is the Public Works Loan Board (PWLB).

Under the Treasury Management Strategy it was agreed to borrow when interest rates are at their most advantageous.

The total loans at 1st April 2022 and 30th June 2022 are shown in the following table:

Loans	Balance at 01.04.22 £m	Balance at 30.06.22 £m	Net Increase/ (Net Decrease) £m
Public Works Loan Board (PWLB)	387.61	387.61	0.00
Market Loan	3.00	3.00	0.00
Salix, Invest to Save, HILS & TCL	10.13	10.11	(0.02)
TOTAL	400.74	400.72	(0.02)

The Salix interest free loans have been provided by an independent publicly funded company dedicated to providing the public sector with loans for energy efficiency projects.

This interest free Invest-2-Save funding is to assist in the conversion of traditional street lighting to LED, which will help deliver a legacy of reduced energy costs and associated carbon taxes.

The Home Improvement Loan Scheme (HILS) repayable funding is provided by the Welsh Government to help individual home owners, small portfolio landlords, developers and charities to improve homes and increase housing supply.

The Town Centre Loan (TCL) repayable funding is provided by the Welsh Government to provide loans to reduce the number of vacant, underutilised and redundant sites and premises in town centres and to support the diversification of the town centres by encouraging more sustainable uses for empty sites and premises, such as residential, leisure and for key services.

5.1 New Borrowing

No new loans were borrowed during the period.

5.2 Interest Paid

Interest paid on loans in the period was:

PWLB Interest Paid £m	Market Loan Interest Paid £m	Total Interest Paid £m
0.85	0.07	0.92

6. Rescheduling and Premature Loan Repayments

No rescheduling opportunities arose during the period and there were no premature repayments of debt.

7. Leasing

No leases were negotiated in the period ended 30th June 2022.

8. Conclusion

The Treasury Management function for the period ended 30th June 2022 has been carried out within the policy and guidelines set in the Treasury Management Policy and Strategy 2022-2023.

B. QUARTERLY PRUDENTIAL INDICATOR REPORT

1. Introduction

As part of the 2022-2023 Budget and the Treasury Management Policy and Strategy 2022-2023, Council adopted a number of Prudential Indicators. These Indicators are designed to ensure that any borrowing or other long-term liabilities entered into for capital purposes were affordable, sustainable and prudent.

The Indicators are required by the Local Government Act 2003 and the Revised Prudential Code of Practice in order to control Capital Finance. The Prudential Code also required that those Prudential Indicators that were forward looking should be monitored and reported. Some of the indicators are monitored by officers monthly and are only reported if they are likely to be breached, others are to be monitored quarterly by the Cabinet.

2. The Monitored Prudential Indicators

2.1 Affordability Prudential Indicator

2.1.1 Ratio of Financing Costs to Net Revenue Stream

The indicator set for 2022-2023 in the Budget was:

	2022-2023
	%
Non –HRA	3.95
HRA	30.90

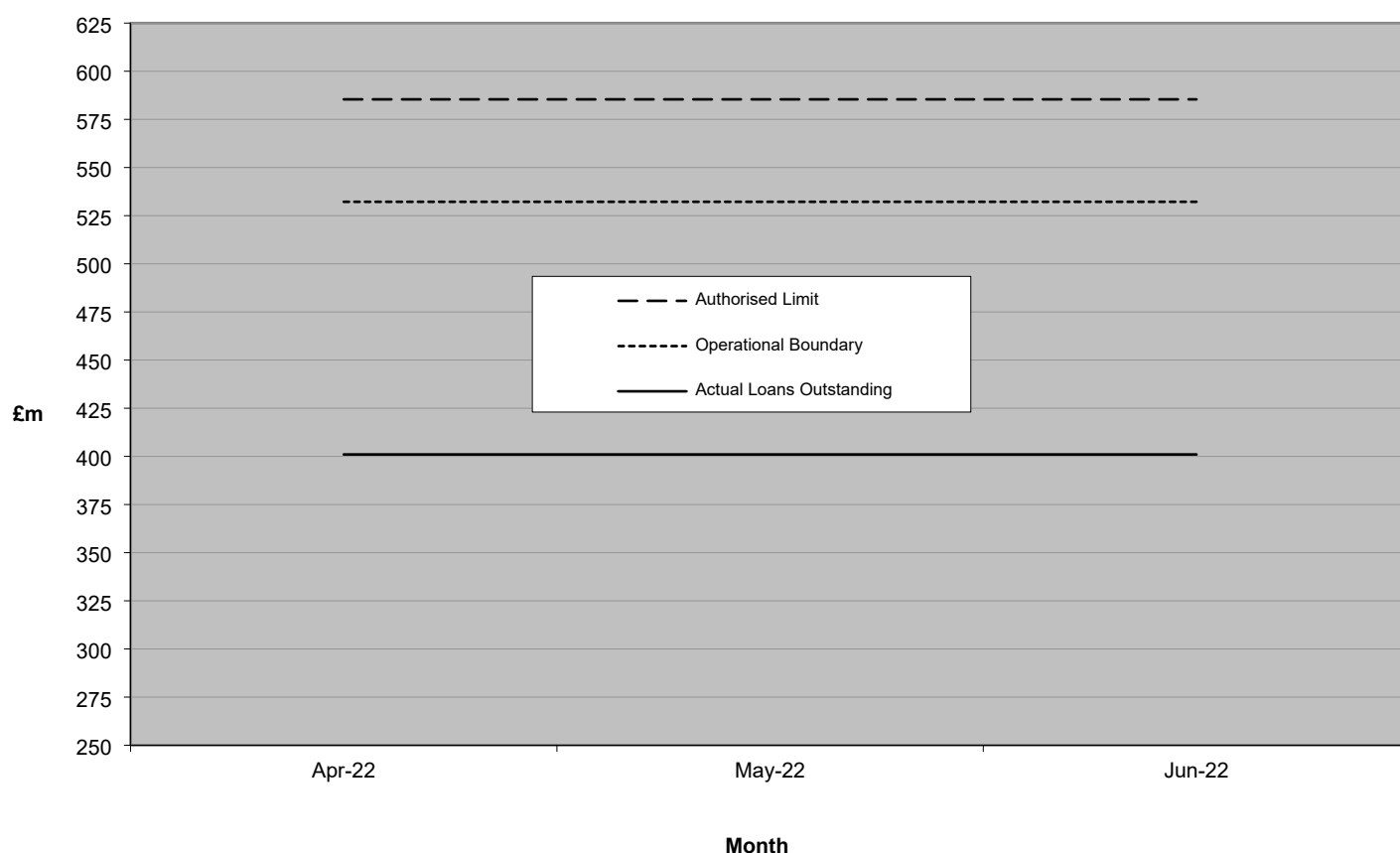
An examination of the assumptions made in calculating this indicator concluded that there have been no changes in the period.

2.2 Prudence Prudential Indicators

2.2.1 The Gross Borrowing and Capital Finance Requirement (CFR) indicator

The indicator set by the Budget for Gross Borrowing and CFR was that the Section 151 Officer envisaged no difficulty in meeting the requirement of the Gross Borrowing being less than the accumulated CFR for 2022-2023. An examination of assumptions made when calculating the Prudential Indicator show that there have been no material changes.

2.2.2 Authorised Limit and Operational Boundary



The actual value of loans outstanding must not exceed the Authorised Limit. In normal activity actual loans outstanding should be close but less than the Operational Boundary. The Operational Boundary can be breached in the short term due to adverse cash flows.

	Apr-22 £m	May-22 £m	Jun-22 £m
Authorised Limit	585.4	585.4	585.4
Operational Boundary	532.2	532.2	532.2
Loans Outstanding	401	401	401

Neither the Authorised Limit nor the Operational Boundary have been breached.

2.3 Treasury Management Prudential Indicators

2.3.1 Interest Rate Exposure

Position as at 30th June 2022:

	Fixed Interest Rate £m	Variable Interest Rate £m	TOTAL £m
Borrowed	397.72	3.00	400.72
Invested	(162.50)	(47.50)	(210.00)
Net	235.22	(44.50)	190.72
Limit	512.00	51.00	
Proportion of Net Borrowing Actual	123.33%	(23.33)%	100.00%
Limit	125.00%	5.00%	

The authority is within limits set by the 2022-2023 indicators.

2.3.2 Maturity Structure Of Borrowing

	Structure at 30.06.22 %	Upper Limit %	Lower Limit %
Under 12 months	2.78	15	0
12 months to 2 years	1.82	15	0
2 years to 5 years	6.95	50	0
5 years to 10 years	9.14	50	0
10 years to 20 years	21.37	50	0
20 years to 30 years	20.84	50	0
30 years to 40 years	23.13	50	0
40 years and above	13.98	50	0

The authority is within the limits set by the 2022-2023 indicators.

2.3.3 Maximum principal sums invested longer than 365 days

	2022-2023 £m
Limit	10
Actual as at 30 th June 2022	NIL

3. Conclusion

For the period 1st April 2022 to 30th June 2022 the actual Prudential Indicators to be monitored by the Cabinet are within the limits set by the Budget 2022-2023 and the Treasury Management Policy and Strategy 2022-2023. This is also true for the indicators being monitored by officers.

RECOMMENDATIONS

- 1. That Cabinet considers and approves the report.**
- 2. That the increases in the limits by the Director of Corporate Services in April 2022 for the DMADF (DMO) to £125m from £100m and the Money Market Funds to £10m (each) from £5m are confirmed.**

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Totals		
Total	£210,000,000	
Calls & MMFs	£47,500,000	23%
Fixed Deposits	£162,500,000	77%
Specified	£47,500,000	100%

Weighted Average		
Yield		0.85%
Maturity (Days)		
Total Portfolio	Total Portfolio	60.08
Long Term	Short Term	
AAA	-	1.00
AA	F1	65.08
A	F1	84.80
BBB	F2	0.00
CCC	C	0.00

Risk Factors		
< 1 year	£11,947	0.006%
1 - 2 years	£0	0.000%
2 - 3 years	£0	0.000%
3 - 4 years	£0	0.000%
4 - 5 years	£0	0.000%
Total Portfolio	£11,947	0.006%

Maturity Structure		
< 1 Week	£73,000,000	35%
< 1 Month	£32,000,000	15%
2 - 3 Months	£55,000,000	26%
3 - 6 Months	£38,000,000	18%
6 - 9 Months	£5,000,000	2%
9 - 12 Months	£7,000,000	3%
12 Months+	£0	0%
Total	£210,000,000	100%

SLY Model

Carmarthenshire County Council

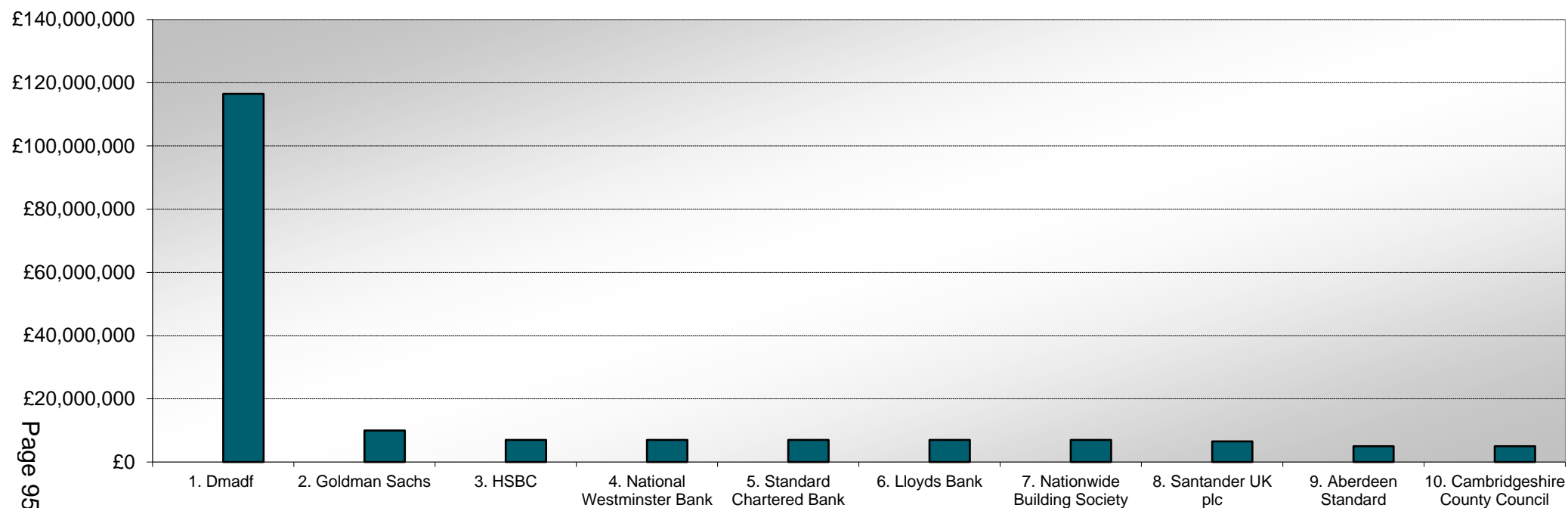
30/06/2022

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Top 10 Counterparty Holdings

Carmarthenshire County Council

Counterparty	Principal	% of Total Holding	WAM (Days)	WAYield	WADefault
1. Dmadf	£116,500,000	56.01%	50	1.01%	0.002%
2. Goldman Sachs	£10,000,000	4.81%	1	0.40%	0.000%
3. HSBC	£7,000,000	3.37%	1	0.54%	0.000%
4. National Westminster Bank	£7,000,000	3.37%	274	2.30%	0.071%
5. Standard Chartered Bank	£7,000,000	3.37%	1	0.49%	0.000%
6. Lloyds Bank	£7,000,000	3.37%	1	0.07%	0.000%
7. Nationwide Building Society	£7,000,000	3.37%	141	0.35%	0.036%
8. Santander UK plc	£6,500,000	3.13%	1	0.95%	0.000%
9. Aberdeen Standard	£5,000,000	2.40%	1	0.41%	0.000%
10. Cambridgeshire County Council	£5,000,000	2.40%	229	0.18%	0.010%



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Cabinet
3RD OCTOBER 2022

Subject: Cost of Living		
Recommendations / key decisions required:		
<ol style="list-style-type: none"> 1. Note the current status of the mandatory scheme. 2. Approve the Discretionary Cost of living Scheme. 3. Approve delegation for use of any underspends / virements to the Director of Corporate Services in consultation with the Cabinet Member for Resources. 		
Reasons:		
The reason for this report is to provide details of Welsh Government's Cost of Living Support Scheme including a proposal in respect of the associated Discretionary Scheme, for which the Council can determine a use locally.		
Relevant scrutiny committee to be consulted No		
Cabinet Decision Required	YES	
Council Decision Required	NO	
EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-		
<ul style="list-style-type: none"> Cllr. Alun Lenny (Resources) 		
Directorate: Corporate Services Names of Directors: Chris Moore Report Authors: Helen Pugh	Designations: Director of Corporate Services Head of Revenues & Financial Compliance	Tel / Email addresses: 01267 224120 cmoore@carmarthenshire.gov.uk 01267 246223 hlpugh@carmarthenshire.gov.uk

EXECUTIVE SUMMARY

Cabinet

3RD October 2022

SUBJECT

Cost of Living

Background

The Welsh Government announced a package of measures to help people with support towards the cost of living. The package includes £152M to provide a £150 cost-of-living payment to eligible households (the main scheme) and £25M to provide discretionary support for other purposes related to living costs.

The schemes are intended to provide immediate support as Wales recovers from the pandemic and support households to deal with the impact of increasing energy and other costs

The Discretionary Scheme funding can be used by each local authority to support households it considers to be in need of assistance with their living costs. Carmarthenshire has been allocated £1.556 million to spend on a discretionary scheme.

Cabinet is recommended to:

- note the delivery of the Cost-of-Living Support Scheme (main scheme).
- To approve the categories summarised within the report as the approach for Carmarthenshire locally determined Discretionary Scheme
- To agree that the final initiative in Table 12 is not processed until after the mandatory scheme has closed at the end of September 2022 so that the actual financial position can be established, to ensure that sufficient funds are available to deliver the initiative.
- To approve delegated authority to the Director of Corporate Services, in consultation with the Cabinet Member of Resources, to determine if Table 12 Initiative proceeds subject to sufficient funds available from the mandatory scheme underspend to fund the proposal.
- Delegate authority to the Director of Corporate Services (in consultation with the Cabinet Member for Resources), the ability to vire any underspent elements of funding either from the main scheme or between discretionary options agreed as necessary, to ensure full spend of the Council's allocated funding

It is to be noted that papers have already been approved by Cabinet Members for the use of WG poverty grants and Allotment Grant, and this scheme dovetails into those schemes. Please see attached copy of the cabinet report which has been approved for Poverty: [Summary.pdf \(gov.wales\)](#) and link to the relevant agenda <https://democracy.carmarthenshire.gov.wales/ieListDocuments.aspx?CId=384&MId=6134&Ver=4We>

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: **Helen Pugh**

Head of Revenues & Financial Compliance

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

3. Finance

Welsh Government Grant allocated to spend on the scheme totalling £1.556m.

Appropriate recording and monitoring of spend to evidence through regular returns to Welsh Government that the grant has been spent in accordance with the Discretionary Scheme.

5. Risk Management Issues

Risk that support is not provided to the financially vulnerable of Carmarthenshire

Risk that monies could be clawed back if the monies have not been spent in accordance with the approved scheme.

CONSULTATIONS

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

Signed: Helen Pugh

Head of Revenues & Financial Compliance

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

1. Scrutiny Committee

2. Local Member(s)

N/A

3. Community / Town Council

N/A

4. Relevant Partners

N/A

5. Staff Side Representatives and other Organisations

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED
YES**

Cllr Alun Lenny

**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
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Cyngor Sir Gâr

Carmarthenshire County Council

Carmarthenshire County Council

Cost of Living

July / August 2022

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3. Cost of Living – Discretionary Scheme	5

1. Background

- 1.1 The Welsh Government announced a package of measures to help people with support towards the cost of living. The package includes £152 million to provide a £150 cost-of-living payment to eligible households (the main scheme) and £25 million to provide discretionary support for other purposes related to living costs.
- 1.2 The schemes are intended to provide immediate support as Wales recovers from the pandemic and support households to deal with the impact of increasing energy and other costs.
- 1.3 The Discretionary Scheme funding can be used by each local authority to support households it considers to need assistance with their living costs. Carmarthenshire has been allocated £1.556 million to spend on a discretionary scheme

2. Cost of Living Scheme - Main Scheme

2.1 A payment of £150 can be made to a household under the main scheme if the householder(s) meets one of the following conditions.

2.2 Council Tax Reduction Scheme Entitlement Condition

2.2.1 If the householder(s) was in receipt of support through the Council Tax Reduction Scheme on 15th February 2022, they are automatically assessed as being entitled to a payment of £150 regardless of the valuation band in which their property is placed.

2.2.2 Council Tax Band Condition

Households occupying properties in council tax Bands A to D are assessed as being entitled to a payment of £150 provided they were:

- liable for council tax at a property on 15th February 2022;
- not in receipt of an exemption for that property on 15th February 2022;
- living in the property as their main residence on 15th February 2022; and
- responsible for paying the associated utility and other regularly incurred bills for the property on 15th February 2022.

2.3 Local authorities administering the scheme will be able to make the reasonable assumption that household(s) liable to pay council tax are also responsible for paying the utility and other regularly incurred bills.

2.4 Households living in properties which have been valued as Band E and are in receipt of disability band reduction are also eligible to receive the payment.

2.5 Households are eligible for a payment if their property band recorded on a valuation list is amended retrospectively after 15th February 2022 to fall within an eligible category, for example, as a result of a successful review or appeal made to the Valuation Office Agency (VOA) that concluded after this date. Households living in new builds awaiting an

official banding from the VOA are also eligible for a payment if the official banding subsequently allocated by the VOA, meets the eligibility criteria for the scheme.

2.6 Only one £150 payment is to be made in relation to any single dwelling under the main scheme. In cases of joint and several liability, only one payment is to be made and it should be paid to the first named person on the council tax bill. Where this is not possible, local authorities have discretion to identify the most appropriate person to whom the payment should be made.

2.7 Cost of Living Main Scheme - Households/Payments. The following table summarises the current position in relation to the payments made under the mandatory scheme. At present we have paid out 93% of the eligible households. Two media campaigns were run in May and June / July as well as two reminders sent to those that haven't applied on 13th June 2022 and 18th July 2022, with reminders sent to 8,196 and 4,345 households respectively. A further reminder and media campaign will be run in early September, given that the scheme closes at the end September 2022.

In summary @ 31st August 4,534 households have yet to claim their £150, totaling £680,100.

Mandatory Cost of Living Payments

	Total Number Households	Number Households Paid @ 22 July 2022	Amount Paid £ @ 22 July 2022	Number Households Paid @ 31 August 2022	Amount Paid £ @ 31 August 2022
£150 to all households receiving Council Tax Reduction	15,509	12,034	1,805,100	12,617	1,892,550
£150 to all households in Bands A to D (excluding households receiving Council Tax Reduction)	47,692	45,179	6,776,850	46,050	6,907,500
Total	63,201	57,213	8,581,950	58,667	8,800,050

3. Cost of Living – Discretionary Scheme

3.1 In addition to supporting the eligible categories through the main scheme, each local authority may use the funding provided under the Discretionary Scheme to provide support to households it considers to need assistance with their living costs. This support may take the form of a payment to a household not already covered in the main scheme, or an additional payment, or it may cover the cost of essential services provided to the household.

3.2. The total funding in Wales for the discretionary scheme amounts to £25 million with Carmarthenshire's allocation being £1.556 million.

3.3 The Welsh Government has stated that in developing the local Discretionary Scheme, local authorities have complete autonomy to target the funds to best support residents and to ensure their approach best suits the need of their individual residents.

3.4 The authority has discretion over the value of the award and to pay by instalments if it considers making a full payment would not be in a household's best interests or that it might compromise their welfare.

3.5 It is recognised that payments or the provision of other support to such households may be more readily administered by specialist services within the local authority – e.g. social services, homelessness services, educational support services etc.

3.6 **Vulnerable groups.** Proposed elements using the revenues sources for inclusion in the Carmarthenshire County Council Discretionary Scheme.

3.6.1 Key vulnerable groups that were excluded from the main scheme and as recommended in the Welsh Government guidance for the use of this discretionary scheme. Proposal to pay £150 per household, irrespective of which Band the household is in and in receipt of the exemption on 15th February 2022.

Table 1

Council Tax- Tax exemption criteria	Number of Households	Amount Payable £
Class I – Receiving Care	36	5,400.00
Class J – Providing Care	10	1,500.00
Class U – Severely Mentally Impaired	312	46,800.00
Class X – Care Leavers	35	5,250.00
Total	393	58,950.00
Method of processing Identified from the Council Tax billing System. Letters issued confirming their eligibility along with instructions of how to claim the award. Unique activation key to be issued which when entered along with Council Tax account number and personal details will enable them to claim online.		
Responsible Department / Service Corporate Services / Revenues		

3.6.2 Suggested other exempt categories within the council tax system.

Proposal to pay £150 per household for Class S noted below and £75 per household for Classes K and N, irrespective of which Band the household is in and in receipt of the exemption on 15th February 2022.

Table 2

Council Tax- Tax exemption criteria	Number of Households	Amount Payable £
Class K – Unoccupied by Students	1	75.00
Class N – Occupied only by students	313	23,475.00
Class S – Under 18	16	2,400.00
Total	330	25,950.00
Method of processing Identified from the Council Tax billing System. Letters issued confirming their eligibility along with instructions of how to claim the award. Unique activation key to be issued which when entered along with Council Tax account number and personal details will enable them to claim online.		
Responsible Department / Service Corporate Services / Revenues		

3.6.3 There are other groups of people that are captured on the revenues system that could be classed as financially vulnerable.

Proposal to pay £150 per household, irrespective of which Band the household is in, and living at the property on 15th February 2022.

Table 3

Criteria	Number of Households	Amount Payable £
Foster Carers'	122	18,300.00
DBR -Bands E - I	428	64,200.00
Families with 3 children or more on Housing Benefits	14	2,100.00
Benefit Capped	23	3,450.00
Total	587	88,050.00
Method of processing Identified from the Council Tax billing System, Benefits system and Social Services Foster Care Team For DBR Automatic payments to those paying by Direct debit or already received a payment under main scheme if on CTRS For other 3 categories Letters issued confirming their eligibility along with instructions of how to claim the award. Unique activation key to be issued which when entered along with Council Tax account number and personal details will enable them to claim online.		
Responsible Department / Service Corporate Services / Revenues Communities		

3.7 Grant funding initiatives. Carmarthenshire County Council provide a variety of support through grants and funding received to assist individuals in arrears and support the third sector that provide valuable services to the residents of Carmarthenshire that are affected by the cost-of-living crisis. It's proposed to provide top up grants to the following to ensure that financial resources are available to continue to deliver these initiatives.

Table 4

Grant	Proposal	Suggested top up £	Responsible Service Area
Discretionary Housing Payments	Enhance the Discretionary Housing Scheme	100,000	Administered by Revenues – working closely with Housing
Background	<p>Discretionary Housing Payments (DHP) are payments that help tenants who are struggling to pay their rent.</p> <p>To be eligible for a DHP, tenants must receive either Housing Benefit or Universal Credit (with a housing element). Some examples of the criteria supported through this scheme are where claimants affected by the:</p> <ul style="list-style-type: none"> • benefit cap • Social Sector Size Criteria ('bedroom tax') • Local Housing Allowance (rental values > market rent, or unused rooms) <p>Funding for this scheme is allocated to the Local Authority from the Department of Work and Pensions (DWP). This allocation has been significantly reduced year on year by 31% in 2022/23 to £262,876. No Welsh Government funding is available for 2022/23.</p> <p>The total spend for 2021/22 amounted to £397,583 supporting 720 applicants. The cost was met from the DWP grant allocation of £378,584 with the £18,999 excess spend funded from a Welsh Government grant.</p>		
Approach	<p>It is proposed funding from the cost-of-living discretionary scheme would be utilised to enhance this existing DHP fund, and therefore bring the amount available through this scheme back to 96% of level of financial support provided by DWP in 2021/22.</p> <p>Robust procedures and processes are already in place to claim and make these payments.</p>		

Table 5

Grant	Proposal	Suggested top up £	Responsible Service Area
Household Poverty Grant	Enhance the scheme	50,000	Administered by Economic Development
Background	<p>Household Poverty Grant received from Welsh Government is used to support food banks that we have in Carmarthenshire. Funding is distributed to local food banks that are helping tackle food poverty within the county. All Foodbanks that we are aware of are invited to apply, not all take up the opportunity. Assessment is based on need for the activity and how they plan to target the most in need.</p> <p>Example of organisations funded to date are: Llandovery Youth and Community Centre, Newcastle Emlyn Foodbank, Llanelli Foodbank Myrtle House, Llwynhendy and Pemberton Forum, Salvation Army, Ty Gwyn Church, Dr. Mz.</p>		
Approach	<p>It is proposed funding from the cost-of-living discretionary scheme would be utilised to enhance this scheme fund through supporting revenue funding initiatives and not capital schemes. Robust procedures and processes are already in place to claim and make these payments.</p> <p>The outputs expected to be reported upon by the recipients of a grant through this scheme are as follows:</p> <ul style="list-style-type: none"> • How many families will be supported • How many single people will be supported • How many homeless people will be supported • No. of people receiving skills and training through regarding healthy food, nutrition and decreasing food waste 		

Table 6

Grant	Proposal	Suggested top up £	Responsible Service Area
Poverty Grant	Enhance the scheme	50,000	Administered by Economic Development
Background	Poverty Grant received from Welsh Government is used to support voluntary bodies that we have in Carmarthenshire that assist the residents of Carmarthenshire through support, advice, financial assistance. Example of organisations funded to date through this scheme are CETMA, Llandoverly Youth Centre, Ty Enfys Family Centre, Siwper.box CIC, Threshold, Cwmaman Foodbank, Llanelli Railway Goods Shed Trust, Tyisha Foodbank, Plant y Cwm.		
Approach	<p>It is proposed funding from the cost-of-living discretionary scheme would be utilised to enhance this scheme through supporting revenue funding initiatives and not capital schemes. Robust procedures and processes are already in place to claim and make these payments. The outputs expected to be reported upon by the recipients of a grant through this scheme are as follows:</p> <ul style="list-style-type: none"> • How many families will be supported • How many single people will be supported • How many homeless people will be supported • No. of people receiving skills and training through regarding healthy food, nutrition and decreasing food waste • How many Jobs safeguarded • How many Jobs created • Levered funding (match funding if any) 		

Table 7

Grant	Proposal	Suggested top up £	Responsible Service Area
Rural Poverty	Fund a scheme	50,000	Administered by Economic Development
Background	<p>Research carried out in 2016 reported that 23% of the population of rural Wales is living in poverty, a larger proportion than in any other part of the UK (Joseph Rowntree Foundation, 2016).</p> <p>Thirty nine of the 51 wards in Carmarthenshire are classified as rural. Farmers, it has been demonstrated, do not readily seek assistance. Financial hardship can cause mental health issues and the isolating nature of their work means that they are more difficult to reach.</p>		
Approach	<p>Grant to be provided for organisations that can demonstrate that they can provide support to the rural community within Carmarthenshire.</p> <p>To raise awareness of the financial support that is available to them, to identify individuals and families in isolation and provide the necessary advice, guidance and financial support.</p>		

3.8 Long term initiatives. The following are initiatives that Carmarthenshire intend to implement / re-introduce.

Table 8

Initiative	Proposal	Estimated £	Responsible Service Area
Budgeting advisors	Fund three new posts for one year	150,000	Posts to be at Hwbs
Background	<p>We have in the past had budget advisor posts that have assisted any of our residents that have been in financial difficulty. These officers could liaise with the job centers and link up with the food banks so that we have a presence at these sites to assist in -situ.</p> <p>This will assist in managing our housing tenants rent arrears, council tax arrears and assist in residents general debt management. Signposting to the various financial support that is available will also be a key part of the roles.</p>		
Approach	<p>It is proposed funding from the cost-of-living discretionary scheme would be utilised to fund these posts. Robust procedures and processes are already in place to appoint and to record and document the advice given.</p> <p>These posts could also link to the following initiatives:</p> <ul style="list-style-type: none"> • Ten Towns project – an outreach initiative providing access to the budget advisors for residents in and around the Ten Towns through the Mobile Hwbs • the Shared Prosperity Fund initiative of improving adult numeracy, a budgeting module could be incorporated into that scheme • Food banks 		

Proposal to introduce an initiative to assist households in reducing their electricity costs in the longer term by issuing LED bulbs to those that are financially vulnerable.

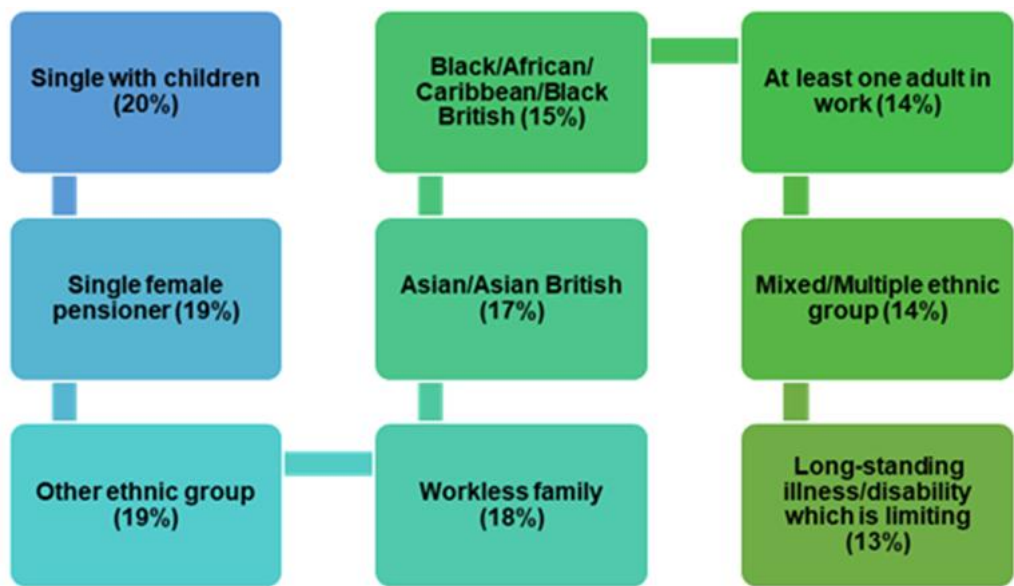
Table 9

Initiative	Proposal	Estimated £	Responsible Service Area
Payment towards LED light purchases	Distribution of LED bulbs to all in receipt of CTRS / or to those directly seeking help through food banks	300,000	Distribute light bulbs through Hwbs / or Food banks
Background	<p>This is considered to be beneficial in the longer term as this would assist in reducing utility bills in the longer term, whilst also have an impact on the net zero carbon agenda.</p> <p>LED light bulbs last for about 100,000 hours of use, which is much longer than their incandescent counterparts. LED light bulbs also use less electricity, bringing utility bills down.</p> <p>Energy saving light bulbs can typically save around 80% more electricity than incandescent bulbs</p>		
Approach	<p>It is proposed funding from the cost-of-living discretionary scheme would be utilised to fund this scheme.</p> <p>Benefits of distribution through Hwbs, would increase the footfall in towns, and the Hwb officers have access to the systems and keep a record of those that have received the bulbs.</p> <p>Benefits of distribution through food banks would means those that are reaching out for assistance will be captured in this initiative.</p>		

3.9 As part of the tackling poverty plan we've started to develop our data profile for Carmarthenshire. See below an extract which highlights the groups most at risk of being in poverty with the Carmarthenshire specific groups noted below the flow-chart.

Proportion of Groups Most At Risk

3.9.1 Income dynamics data published by DWP provide an indication of the groups that are most likely to be in persistent low income at an UK level. A visual of this is provided below¹;



3.9.2 Since low income is one of the primary contributory factors of poverty utilising this data and placing it in a Carmarthenshire context provides an indication of where and which type of poverty might be most prevalent in the county.

3.9.3 The above average presence of these groups within the county may provide an indication as to where poverty is concentrated and therefore where and which interventions should be prioritised (these figures are based on 2011 Census figures and will be updated as the data for 2021 becomes available).

¹ % of population groups in persistent low income (before housing costs) UK - [2-income-dynamics-individuals-in-persistent-low-income-2019.ods \(live.com\)](#)

Table 10

Family Type	Sub -type	Carmarthenshire	Wales	England & Wales
		% of households	% of households	% of households
Single with children	Lone parents in part-time employment	32.2	33.5	33.4
	Lone parents in full-time employment	28.0	25.0	26.0
	Not in employment	39.8	41.5	40.6
One Person Household (of pensioner age)	Aged 65 and over	14.8	13.7	12.4
Household (where all inhabitants are of pensioner age)	All aged 65 and over	0.5	0.3	0.3

3.9.4 The data that we do have on these categories are those that are in receipt of Housing Benefits and / or Council Tax Reduction Scheme. These groups of people will have received £150 per household under the mandatory scheme. The following table summarises these totals and the cost of a **proposed additional £50 per household**. In addition to the above categories a further category of those in receipt of disability allowances are noted below for consideration.

Proposal to pay additional £50 per claimant, and in receipt of the benefit on 15th February 2022.

Table 11

Category in receipt of HB and / or CTRS	Number of claimants	Amount Payable £
Applicants with dependants (excl Families with 3 children or more on Housing Benefits – already included in Table 3 above)	2,656	132,800
In receipt of disability	4,648	232,400
Total		365,200
Method of processing Identified from the Revenues and Benefits System. Letters issued confirming their eligibility along with instructions of how to claim the award. Unique activation key to be issued which when entered along with Council Tax account number and personal details will enable them to claim online. Alternatively, if we have processed payments to these individuals under the mandatory scheme, relevant information is therefore held, another payment run could be actioned.		
Responsible Department / Service Corporate Services / Revenues		

3.9.6 Further analysis of poverty data shows that 35.6% of households in Carmarthenshire are considered to be living in poverty owing to the fact that their total household incomes are below 60% of the median income for GB (as of 2021 = £19,641- 60% of median GB income which is £32,736).

3.9.7 The table below provides an indication of the 24 wards (based on historical ward boundaries) which exhibit rates higher than the Carmarthenshire average for the respective year, suggesting that the effects of poverty are possibly more acute in these areas than others. It is also possible to deduce which wards have seen the most substantial changes in levels over the last ten years with the arrows depicting a change in position. The evidence indicates that several wards in Carmarthenshire have seen significant increases in the numbers of households falling below the income threshold over the last ten years.

Ward	% of Households below 60% GB Median Income(2011) ^[1]	Pattern of Change in terms of Ranking in Carmarthenshire	% of Households below 60% GB Median Income (2021)	% Change
Tyisha	47.8%	No change	49.9%	+2.1%
Felinfoel	44.1%	↑	47.9%	+3.8%
Llwynhendy	43.0%	↑	45.6%	+2.6%
Ammanford	39.3%	↑	44.9%	+5.6%
Glanymor	44.5%	↓	43.9%	-0.6%
Cwarter Bach	38.0%	↑	41.9%	+3.9%
Llandovery	43.6%	↓	41.2%	-2.4%
Dafen	37.6%	↑	41.0%	+3.4%
Bigyn	37.7%	↑	41.0%	+3.3%
Carmarthen Town South	35.2%	↑	41.0%	+5.8%
Glanamman	33.3%	↑	40.4%	+7.1%
Burry Port	40.3%	↓	40.0%	-0.3%
Trimsaran	41.2%	↓	39.9%	-1.3%
Lliedi	40.6%	↓	39.3%	-1.3%
Llanybydder	38.1%	↓	38.8%	+0.7%
Garnant	37.9%	↓	38.8%	+0.9%
Kidwelly	36.3%	↑	38.7%	+2.4%
Pontyberem	34.3%	↑	37.6%	+3.3%
Elli	33.2%	↑	37.6%	+4.4%
Cenarth	39.4%	↓	37.4%	-2.0%
Carmarthen Town North	34.3%	↑	37.3%	+3.0%
Pontaman	35.3%	↓	36.5%	+1.2%
Llanfihangel-ar-Arth	38.8%	↓	35.9%	-2.9%
Trelech	30.7%	↑	35.7%	+5.0%

^[1] Above Carmarthenshire average of 34.7%

3.9.8 The number of households in the above wards are noted below.

Parish / Ward	% Households below 60% GB Median Income (2021)	Number of Households Bands A-D	Number of Households Bands E – I	Total Number Households	Minimum %age households in receipt of mandatory payment
Llanelli Town		11,359	980	12,339	92%
• Tyisha	49.9%				
• Glanymor	43.9%				
• Bigyn	41.0%				
• Lliedi	39.3%				
• Elli	37.6%				
Llanelli Rural ^µ		9,103	1,575	10,678	85%
• Felinfoel	47.9%				
• Llwynhendy	45.6%				
• Dafen	41.0%				
Ammanford ^µ		2,350	274	2,624	90%
• Ammanford	44.9%				
• Pontaman	36.5%				
Cwarter Bach	41.9%	1,285	98	1,383	93%
Llandovery	41.2%	801	193	994	81%
Carmarthen Town ^µ		5,645	1,551	7,196	78%
• Carmarthen Town South	41.0%				
• Carmarthen Town North	37.3%				
Cwmamman		1,947	210	2,157	90%
• Glanamman	40.4%				
• Garnant	38.8%				
Pembrey & Burry Port ^µ		3,511	641	4,152	85%
• Burry Port	40.0%				
Trimsaran	39.9%	997	158	1,155	86%
Llanybydder	38.8%	592	157	749	79%
Kidwelly ^µ	38.7%	1,346	377	1,723	78%
Pontyberem	37.6%	1,117	203	1,320	84%
Cenarth ^µ	37.4%	270	286	556	49%
Llanfihangel-ar-Arth	35.9%	617	401	1,018	61%
Trelech	35.7%	142	176	318	45%
TOTAL		41,082	7,280	48,362	85%

^µ Note: there are additional wards within these regions – therefore the number of households noted are for the region rather than for the wards listed here.

Given that a minimum (this assessment is based purely on properties in Bands A to D, the number of payments made to those on credits within Bands E to I have not been included) of 85% of these households have received £150 under the mandatory cost of living scheme and given that discretionary funding is limited its proposed that no further payments are made to the wards noted above.

3.10 Proposal to extend the mandatory scheme of all households receiving financial support in Bands A to D to include Band E. The number of Band E properties total 12,462 but 722 of these have already received support through the mandatory scheme due to the fact that they are in receipt to Council Tax Rebate. The proposal is to provide support for the remaining 11,740 households. Dependent on which initiatives are accepted above the amount available to fund this proposal is limited. Proposal for £50 per household that were in resident on 15th February 2022, would mean we overspend, but the figures are noted below for information.

Table 12

Council Tax- Tax exemption criteria	Number of Households	Amount Payable £
Band E properties	11,740	587,000
Total	11,740	587,000
Method of processing Identified from the Council Tax billing System. Letters issued confirming their eligibility along with instructions of how to claim the award. Unique activation key to be issued which when entered along with Council Tax account number and personal details will enable them to claim online.		
Responsible Department / Service Corporate Services / Revenues		

3.10.1 Should all the above proposals noted above from Table 1 to Table 12 inclusive be accepted, this would mean that we have a shortfall of £269,150. This could be partly funded from the underspend that is currently predicted on the mandatory scheme, however, should take up increase on the mandatory scheme and it be fully utilised then this shortfall will not all be funded from the cost-of-living grant available. It is recommended therefore that this final initiative in Table 12 is not processed until after the mandatory scheme has closed and the actual financial position established, to ensure that sufficient funds are available to deliver the initiative.

RECOMMENDATIONS

Cabinet is recommended to:

- note the delivery of the Cost-of-Living Support Scheme (main scheme).
- To approve the categories summarised below as the approach for Carmarthenshire locally determined Discretionary Scheme noted from Table 1 through to 12 above, as summarized below:

Category of funding	Amount Payable £	Running total of grant available: £
		1,556,000
Class I – Receiving Care	5,400.00	
Class J – Providing Care	1,500.00	
Class U – Severely Mentally Impaired	46,800.00	
Class X – Care Leavers	5,250.00	
Total	58,950.00	1,497,050
Class K – Unoccupied by Students	75.00	
Class N – Occupied only by students	23,475.00	
Class S – Under 18	2,400.00	
Total	25,950.00	1,471,100
Foster Carers'	18,300.00	
DBR -Bands E - I	64,200.00	
Families with 3 children or more on Housing Benefits	2,100.00	
Benefit Capped	3,450.00	
Total	88,050.00	1,383,050
Grants / Top up / Enhance schemes:		
Discretionary Housing Payments	100,000	
Housing Poverty Grant	50,000	
Poverty Grant	50,000	
Rural Poverty Grant	50,000	
	250,000	1,133,050
Budget support officers	150,000	983,050
LED Lights	300,000	683,050
Further £50 per vulnerable household in receipt CTRs / HBens	365,200	317,850
£50 to all Band E	587,000	-269,150

- To agree that the final initiative in Table 12 is not processed until after the mandatory scheme has closed at the end of September 2022 so that the actual financial position can be established, to ensure that sufficient funds are available to deliver the initiative.
- To approve delegated authority to the Director of Corporate Services, in consultation with the Cabinet Member of Resources, to determine if Table 12 Initiative proceeds subject to sufficient funds available from the mandatory scheme underspend to fund the proposal.
- Delegate authority to the Director of Corporate Services, in consultation with the Cabinet Member for Resources, the ability to vire any additional underspent elements of funding either from the main scheme or between discretionary options agreed as necessary, to ensure full spend of the Council's allocated funding.

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CABINET 3RD OCTOBER 2022

EDUCATION & CHILDREN SCRUTINY COMMITTEE TASK & FINISH GROUP REPORT: *SCHOOL ORGANISATION CONSULTATION PROCESS*

Purpose: To give consideration to the Task & Finish Group's recommendations, which are outlined within the attached report.

Recommendations / key decisions required:

- To endorse the report and recommendations for further consideration by the Cabinet.

Reasons:

- At its meeting held on the 21st April, 2021 the Education & Children Scrutiny Committee agreed to establish a Task & Finish Group to undertake a review of the current consultation process for school organisation changes, including changes in linguistic provision and closure of schools.
- The recommendations contained within the report have been formulated by the Task & Finish Group following the consideration of a range of evidence over a series of meetings held between May and November 2021.

Relevant scrutiny committee to be consulted: YES (23/12/21)

Scrutiny Committee are awaiting a response to the report and recommendations.

Cabinet Decision Required: YES

Council Decision Required: NO

Cabinet Member Portfolio Holder: Cllr. Glynog Davies (Education & Children)

Chair of the Task & Finish Group: Cllr. Darren Price	Designations: Chair of the Education & Children Scrutiny Committee	Tel Nos. / E-Mail Addresses: 01267 224470 DAPrice@carmarthenshire.gov.uk
Report Author: Michelle Evans Thomas	Principal Democratic Services Officer	01267 224470 MEEvansThomas@carmarthenshire.gov.uk

EXECUTIVE SUMMARY

Education & Children Scrutiny Committee Task & Finish Group Report:

School Organisation Consultation Process

At its meeting held on the 21st April, 2021 the Education & Children Scrutiny Committee agreed to establish a Task & Finish Group to undertake a review of the current consultation process for school organisation changes, including changes in linguistic provision and closure of schools

As a result of the discussions and evidence considered at the first three meetings and having regard to the fact that the Education & Children Department was in the process of revising its Welsh in Education Strategic Plan (WESP) and Modernising Education Programme (MEP), with public consultation envisaged within the next year, the Task & Finish Group agreed to formulate interim recommendations for consideration by Cabinet. The Interim Recommendations Report was considered and endorsed by Cabinet at its meeting held on 27th September 2021 when it was unanimously resolved to endorse the report.

The Task and Finish Group met on a further three occasions and, following further discussions and consideration of further evidence, formulated the following additional recommendations for consideration by the Cabinet:

Recommendations

- (1) The Council should call on the Welsh Government to review the school organisation code with a view to streamlining the process and re-evaluating which proposals should fall under the scope of the Code. Welsh Government should also ensure that members of the public are encouraged to express their support as well as inviting 'objections' to any proposal as part of the Code.
- (2) Following a decision by Pre-Cabinet to consult informally on any proposal, the local member, School Head and Chair of Governors should be informed, followed by school staff and the full Governing Body. These discussions should take place prior to any public announcement or publication of any Council documentation on the proposal.

- (3) The Council should build on the experience of recent school organisation proposals and ensure that consultation events are held in the affected communities, in person

and online during the informal consultation stage. These consultation events should provide as much information as possible with regards to the reason for the proposal, methodology and any appraisals (including site selection options in new build proposals).

- (4) The Council should agree a one-page information sheet for parents, community members and other stakeholders explaining the consultation stages and ensure that this is available permanently on the Council's website and shared with parents of affected schools at the beginning of the consultation process.
- (5) The Council should ensure that a specific Communications Plan is developed for any school organisation proposal – ensuring that stakeholders are encouraged to respond to the consultation either online or via email and that paper copies of feedback forms are available throughout the consultation period and made available at any community consultation events.
- (6) When moving a school along the Welsh language continuum, the Council should build on the experiences of recent school organisation proposals and ensure that parents and other stakeholders are provided with materials which outline the benefits of bilingualism and advice on the support available to non-Welsh speaking parents. These materials should be made available online and shared in the community engagement events.
- (7) Once the Council has agreed to formally implement a school organisation proposal it should establish a Project Stakeholder Forum in order to keep schools, staff and other community stakeholders such as Town and Community Councils informed of progress. The Forum would also provide stakeholders with a regular means of raising queries with Council Officers and for problem solving ahead of formal implementation of the proposal.
- (8) The School Organisation Code, WESP and MEP should be included in the introductory and ongoing training provided to School Governors, School Staff and elected members and this training should also be available online to be accessed on demand.
- (9) The Council's WESP Strategy, including specific targets and actions relating to the provision of Welsh medium education and the promotion of the Welsh language within individual schools, should be a standing item on the School Governing Body agenda.

DETAILED REPORT ATTACHED?	YES – Draft Final Report of the Task & Finish Group
----------------------------------	--

IMPLICATIONS

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

Signed: Linda Rees-Jones Head of Administration & Law

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

Policy, Crime & Disorder and Equalities

If these recommendations are supported by the Cabinet there will be changes to Carmarthenshire's related policies.

CONSULTATIONS

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

Signed: Linda Rees-Jones Head of Administration & Law

1. **Scrutiny Committee:** At its meeting on 23 December 2021, the Education & Children Scrutiny Committee endorsed the Task and Finish report for further consideration by the Cabinet.
2. **Local Member(s):** N/A
3. **Community / Town Council:** N/A
4. **Relevant Partners:** N/A
5. **Staff Side Representatives and other Organisations –** Officers from the Education & Children Department contributed to and supported the work of the Task & Finish Group.

CABINET MEMBER PORTFOLIO HOLDER 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	Locations that the papers are available for public inspection	
Welsh in Education Strategic Plan	Education & Children Department	
Modernising Education Programme	Education & Children Department	
School Organisation Code	Education & Children Department	

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Education & Children Scrutiny Committee Task & Finish

School Organisation Consultation Process

Scrutiny

in Carmarthenshire

scrutiny@carmarthenshire.gov.uk

Cyngor **Sir Gâr**
Carmarthenshire
County Council



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Foreword

I am pleased to present the report of the Education & Children Scrutiny Committee's Task and Finish Group which was established to review the current consultation process for school organisation changes in Carmarthenshire.

Members felt that it was timely to review the process by which the Council engaged with schools, staff and the public, particularly in terms of proposed changes in linguistic provision and closure of schools.

In addition to reviewing the consultation process for individual school changes, the Task and Finish Group also set out to review how the Authority engaged and developed its Strategic Plans such as the Welsh in Education Strategic Plan (WESP) and the Modernising Education Programme (MEP). Interim recommendations relating to that element of the review have already been presented to the Cabinet.

As part of the review we received evidence from local authority officers and Welsh Government officials. We also undertook a survey of schools, local members and Town and Community Councils who had been involved in school organisation changes over recent years, and asked for their views in terms of what worked well and any areas for improvement.

I hope that the recommendations that we have made will deliver further improvements to the consultation process within Carmarthenshire.

I am very grateful to my fellow members of this group for their input and commitment during this review.

I would also like to extend my thanks to the officers who have provided specialist advice and support throughout.

Councillor Darren Price
Chair of the Task & Finish Group

Background

At its meeting held on the 21st April, 2021 the Education & Children Scrutiny Committee agreed to establish a Task & Finish Group to review the current consultation process for school organisation changes, including changes in linguistic provision and closure of schools.

In selecting this topic for review, members identified that:-

- the Education & Children Scrutiny Committee has a key role to play in monitoring services, development of key policies and strategies, as well as identifying areas for improvement or development within their remit;
- many Elected Members and School Governors have raised the school organisation consultation process as an area of concern.

Main Scope and Aims of the Review

The main scope and aims of the Task & Finish review were agreed as follows:-

- To review the current process of engaging and consulting with schools, pupils, parents and the public in terms of any proposed school changes;
- To identify national and international best practice on consultation and engagement;
- To review the way in which the Council's Strategic Objectives are communicated, consulted upon and understood by schools, pupils, parents and residents e.g. the Welsh in Education Strategic Plan (WESP) and the Modernising Education Programme (MEP);
- To formulate recommendations for consideration by the Cabinet.

Membership of the Task & Finish Group

At the meeting of the Education & Children Scrutiny Committee held on 21st April, 2021, it was agreed that the membership of the Task & Finish Group comprise 6 Elected Members. The Group was appointed to reflect the political balance of the Council as a whole, as far as possible:-

- Plaid Cymru – Councillors Darren Price, Kim Broom & Jean Lewis
- Independent Group – Councillor Edward Thomas
- Labour Group – Councillor Dot Jones
- New Independent Group – Councillor Shahana Najmi
- Co-opted Member – Mr Anthony Enoch



Cllr. Darren Price
(Chair)
Gorslas
Plaid Cymru



Cllr. Kim Broom
Trimsaran
Plaid Cymru



Cllr. Dot Jones
Llannon
Labour



Cllr. Jean Lewis
Trelech
Plaid Cymru



Cllr. Edward Thomas
Llandeilo
Independent



Mr Anthony Enoch
Parent Governor
Member
Carmarthen Area

Attendance at Meetings

Attendance by members of the Task & Finish Group is shown in the table below. A total of 6 meetings were held during the 2021/22 municipal year.

Scrutiny Committee Member	Meetings Attended	%
Cllr. Darren Price (Chair)	6	100
Cllr. Kim Broom	6	100
Cllr. Dot Jones	6	100
Cllr. Jean Lewis	6	100
Cllr. Shahana Najmi	0	0
Cllr. Edward Thomas	4	66%
Mr Anthony Enoch	6	100

Overview

The group convened on six occasions. Three meetings were held prior to the formulation of the Interim Recommendations Report, as follows:-

Meeting 1 - 13th May 2021

The Group considered the review's scoping document and agreed to split the review into two parts:-

- (a) How the Authority engages and consults in developing its strategic plans (WESP, MEP etc.)
- (b) How the Authority engages and consults on specific school organisation proposals

PART (A) OF THE REVIEW – HOW THE AUTHORITY ENGAGES AND CONSULTS IN DEVELOPING ITS STRATEGIC PLANS (WESP, MEP ETC.)

The Group agreed to focus on point (a) initially as the department was in the process of revising its WESP and MEP plans, with public consultation envisaged within the next year. The Group were therefore keen to feed into that process.

Meeting 2 - 17th June 2021

Members met with Welsh Government officials, namely Bethan Webb, Deputy Director and Siwan Jones, Head of Welsh in Education Planning to discuss the following:-

- Welsh Government's expectation of Councils in relation to consultation when developing Strategic Plans;

- The requirements of the School Organisation Code in this regard and any plans to amend the School Standards and Organisation (Wales) Act 2013;
- The proposed new school categorisation system for Wales.

Meeting 3 - 24th June 2021

Members met with more Welsh Government (WG) officials, namely Neal O’Leary, Programme Director, 21st Century Schools & Colleges Programme, Jacqui Moyle, Head of School Organisation & Admissions and Rachel De Benedictis, School Reorganisation Manager, 21st Century Schools and Colleges Programme, to consider the following:-

- What are the WG’s expectations of Councils in relation to consulting with schools, staff and communities on their Strategic Plans;
- School Organisation Code and how Councils deal with particular proposals e.g. school closures, WESP etc.
- Use of funding within 21st Century Schools and the ability to refurbish schools and open and close schools.

Members also received a presentation by the Authority’s Head of Curriculum & Wellbeing and the Head of Access to Education on how officers intend to involve and consult with different stakeholders as part of the development of the WESP and MEP over the next year.

As a result of the discussions and evidence considered at the above meetings and having regard to the fact that the Education & Children Department was in the process of revising its WESP and MEP plans, with public consultation envisaged within the next year, the Group agreed to formulate interim recommendations for consideration by Cabinet.

Interim Recommendations Report

At its meeting held on the 8th July, 2021 the Education & Children Scrutiny Committee considered an Interim Recommendations Report prepared by the Task & Finish Group in order to feed into the Education & Children Department’s plans.

The following interim recommendations were endorsed by the Committee for consideration by Cabinet:-

1. That the Education Department Officers continue to develop a clear Communication Plan for the revised MEP and WESP which as well as including elected members, schools and public also includes a variety of stakeholders such as the Youth Service, Mudiad Meithrin, Flying Start and School Councils, and that the process be refined as more information becomes available;
2. That a range of both on-line and in person techniques are employed where possible in consulting on the strategic plans;

3. That officers discuss any school organisation proposals which form part of the revised MEP with schools directly before any documentation is made public, and outline the nature of the proposal i.e. Investment Programme/ Rationalisation Programme;
4. That the Authority writes to the Welsh Government urging clarity as soon as possible with regards to the new school categorisation system;
5. That the Authority writes to the Welsh Government calling on them to ensure that the process of changing a school's language category falls within the WESP instead of the School Organisation Code, to reflect the fact that a school's journey along the continuum is a process and not an event;
6. That the Authority writes to the Welsh Government seeking information on how many small schools have benefited from 21st century funding, to determine whether evidence shows that the 5 case business model fails to deliver funding to small schools.

The report was subsequently considered by Cabinet on 27th September, 2021 when it was unanimously resolved that the report and recommendations be endorsed.

Cabinet noted that the Group had split the review into two parts:-

- (a) How the Authority engages and consults in developing its strategic plans (WESP, MEP etc.)
- (b) How the Authority engages and consults on specific school organisation proposals

and that the Interim report, incorporating the above six recommendations, concentrated on part (a) of the review.

PART (B) OF THE REVIEW – HOW THE AUTHORITY ENGAGES AND CONSULTS ON SPECIFIC SCHOOL ORGANISATION PROPOSALS

The Group met on a further three occasions:-

Meeting 4 - 23rd September 2021

The Group received the following presentations:-

- Moving Schools Along the Language Continuum by the Head of Curriculum & Wellbeing;
- Public Consultation on the Welsh in Education Strategic Plan (WESP) by the Head of Curriculum & Wellbeing;
- School Organisation Process by the Head of Access to Education and the Modernisation Team Manager.

Meeting 5 - 21st October 2021

The Group considered the following evidence:-

- Guidance for Stakeholders on the Statutory Consultation Process
- Feedback on Recently Held Consultations
- Feedback from Schools that have been through the Statutory Consultation Process

Meeting 6 - 4th November 2021

The Group considered all the evidence received to date.

As a result of the discussions and evidence considered at the above meetings, the Group agreed the additional recommendations for consideration by the Cabinet.

Conclusion

Following consideration of a range of evidence in relation to part (b) of the review – How the Authority engages and consults on specific school organisation proposals, the Task & Finish Group agreed the following additional recommendations, which had been structured on a thematic basis, with four main themes identified:-

Theme 1 - School Organisation Code

The Group felt that the School Organisation Code is very cumbersome and rigid in the way that it is set out. The Group also noted that there were perceived inconsistencies in terms of which proposals currently fall within the scope of the Code.

For example, a proposal to federate a number of schools over a relatively large geographical area does not currently fall within the scope of the Code, and these proposals are only subject to one public consultation period of up to 6 weeks. However, if an authority wants to build a new school to replace a building which is in a poor state of repair, it is subject to the Code – a formal consultation period, a statutory objection period and a number of other expectations which must be met.

The Group also questioned why there was a need for both a formal consultation process, which is reported to Cabinet/ Council for decision, and a statutory objection period, which provides a second opportunity to object and further extends the process. The Group felt that the Welsh Government should look to streamline the process - ensuring that stakeholders had sufficient opportunity to comment on proposals, but also ensuring that there was no unnecessary duplication or inefficient use of resources.

Furthermore, it was noted that the Code currently prescribes a pretty adversarial process. It talks of inviting 'objections' in the statutory objection period. The Group felt that supportive comments should also be invited throughout the process so as to ensure a fair representation of opinion.

The Group noted that some school organisation proposals, such as extending a school's age range from 4-11 years to 3-11 years for example, may have universal

support within the community, yet the Authority must follow the School Organisation Code, and invite 'objections' at the Statutory Objection stage.

As part of its Interim Recommendations under Part 1 of the review the Group has already asked the Council to write to the Welsh Government calling on them to ensure that the process of changing a school's language category falls within the WESP instead of the School Organisation Code, to reflect the fact that a school's journey along the continuum is a process and not an event.

It was felt by the Group that the School Organisation Code should only apply where an authority proposes to close a school.

Recommendation 1

The Council should call on the Welsh Government to review the school organisation code with a view to streamlining the process and re-evaluating which proposals should fall under the scope of the Code. Welsh Government should also ensure that members of the public are encouraged to express their support as well as inviting 'objections' to any proposal as part of the Code.

Theme 2 - Engagement and Consultation

The Group felt that a period of informal consultation with key stakeholders, prior to any formal decision to proceed, is vitally important. This is a practice that has developed across the County over recent years. The Group heard that it had worked well in a number of instances where key stakeholders were involved early on in discussions on a school organisation proposal. There is a need to ensure that this happens in every instance.

The Group therefore felt that discussions with the Local Member, Head and Chair of Governors firstly, and then with the full Governing Body and staff at the school, should all happen before any public announcement or publication of any Council documentation on any school organisation proposal.

The Group felt that Informal consultation 'drop-in' events should be held in the affected communities as a matter of course, and online if necessary – building on some of the good work that has been undertaken in recent years.

As much information as possible should be provided as part of the informal consultation process, particularly on the methodology and reasons for the proposal. In new build proposals, the site selection process should also be included at the informal stage.

The Group found that the school organisation process is a long and potentially confusing process, and members felt that a simple one-page information sheet should be prepared for parents which outlines the process in layman's terms, particularly explaining when and how people can share their views. This resource should be shared with local stakeholders as soon as a specific school organisation proposal emerges and should be available online permanently.

In addition to the public consultation process, the Group noted that elected members retain the ability to call-in any particular school organisation proposal, and that

members of the Education and Children's Scrutiny Committee can call for a report on any proposal when formulating the Committee's Forward Work Programme.

Recommendation 2

Following a decision by Pre-Cabinet to consult informally on any proposal, the local member, School Head and Chair of Governors should be informed, followed by school staff and the full Governing Body. These discussions should take place prior to any public announcement or publication of any Council documentation on the proposal.

Recommendation 3

The Council should build on the experience of recent school organisation proposals and ensure that consultation events are held in the affected communities, in person and online during the informal consultation stage. These consultation events should provide as much information as possible with regards to the reason for the proposal, methodology and any appraisals (including site selection options in new build proposals).

Recommendation 4

The Council should agree a one-page information sheet for parents, community members and other stakeholders explaining the consultation stages and ensure that this is available permanently on the Council's website and shared with parents of affected schools at the beginning of the consultation process.

Recommendation 5

The Council should ensure that a specific Communications Plan is developed for any school organisation proposal – ensuring that stakeholders are encouraged to respond to the consultation either online or via email and that paper copies of feedback forms are available throughout the consultation period and made available at any community consultation events.

Recommendation 6

When moving a school along the Welsh language continuum, the Council should build on the experiences of recent school organisation proposals and ensure that parents and other stakeholders are provided with materials which outline the benefits of bilingualism and advice on the support available to non-Welsh speaking parents. These materials should be made available online and shared in the community engagement events.

Theme 3 - Project Engagement

The Group felt that once a school organisation proposal was agreed, ongoing project engagement and regular dialogue between the authority and key stakeholders was important and needed to be formalised.

The Group felt that there was a need for this to happen in every instance and therefore make the following recommendation.

Recommendation 7

Once the Council has agreed to formally implement a school organisation proposal it should establish a Project Stakeholder Forum in order to keep schools, staff and other community stakeholders such as Town and Community Councils informed of progress. The Forum would also provide stakeholders with a regular means of raising queries with Council Officers and for problem solving ahead of formal implementation of the proposal.

Theme 4 - Information and Training

The Group noted that not all Governors and school staff were aware of the Council's overarching educational strategic plans such as the MEP or WESP. The Group therefore felt that these plans, as well as the School Organisation Code, should form part of the introductory and ongoing training schedule.

The Group noted that every school is on the Welsh language continuum, and that there was a need for schools to regularly assess what progress they were making in moving along the continuum, in order to support the Welsh Government and local authority's objective of increasing the number of Welsh speakers. It was also noted that even in designated Welsh medium schools or schools that are on the higher end of the continuum, that it would be useful for the school to regularly assess how it promotes and normalises the use of Welsh within the school grounds in line with Welsh Government and Local Authority objectives.

Recommendation 8

The School Organisation Code, WESP and MEP should be included in the introductory and ongoing training provided to School Governors, School Staff and elected members and this training should also be available online to be accessed on demand.

Recommendation 9

The Council's WESP Strategy, including specific targets and actions relating to the provision of Welsh medium education and the promotion of the Welsh language within individual schools, should be a standing item on the School Governing Body agenda.

Further Recommendations for Consideration by the Cabinet

The Task & Finish Group agreed that the following additional recommendations be presented to the Cabinet for consideration:-

- (1) The Council should call on the Welsh Government to review the school organisation code with a view to streamlining the process and re-evaluating which proposals should fall under the scope of the Code. Welsh Government should also ensure that members of the public are encouraged to express their support as well as inviting 'objections' to any proposal as part of the Code.
- (2) Following a decision by Pre-Cabinet to consult informally on any proposal, the local member, School Head and Chair of Governors should be informed, followed by school staff and the full Governing Body. These discussions should take place prior to any public announcement or publication of any Council documentation on the proposal.
- (3) The Council should build on the experience of recent school organisation proposals and ensure that consultation events are held in the affected communities, in person and online during the informal consultation stage. These consultation events should provide as much information as possible with regards to the reason for the proposal, methodology and any appraisals (including site selection options in new build proposals).
- (4) The Council should agree a one-page information sheet for parents, community members and other stakeholders explaining the consultation stages and ensure that this is available permanently on the Council's website and shared with parents of affected schools at the beginning of the consultation process.
- (5) The Council should ensure that a specific Communications Plan is developed for any school organisation proposal – ensuring that stakeholders are encouraged to respond to the consultation either online or via email and that paper copies of feedback forms are available throughout the consultation period and made available at any community consultation events.
- (6) When moving a school along the Welsh language continuum, the Council should build on the experiences of recent school organisation proposals and ensure that parents and other stakeholders are provided with materials which outline the benefits of bilingualism and advice on the support available to non-Welsh speaking parents. These materials should be made available online and shared in the community engagement events.
- (7) Once the Council has agreed to formally implement a school organisation proposal it should establish a Project Stakeholder Forum in order to keep schools, staff and other community stakeholders such as Town and Community Councils informed of progress. The Forum would also provide

stakeholders with a regular means of raising queries with Council Officers and for problem solving ahead of formal implementation of the proposal.

- (8) The School Organisation Code, WESP and MEP should be included in the introductory and ongoing training provided to School Governors, School Staff and elected members and this training should also be available online to be accessed on demand.
- (9) The Council's WESP Strategy, including specific targets and actions relating to the provision of Welsh medium education and the promotion of the Welsh language within individual schools, should be a standing item on the School Governing Body agenda.

APPENDIX 1

Education & Children Scrutiny Committee Task & Finish Group 2021/22

School Organisation Consultation Process

INTERIM RECOMMENDATIONS REPORT

SUMMARY

The Education and Children Scrutiny Committee at its meeting held on 21st April 2021 agreed to establish a Task and Finish Group to review the current consultation process for school organisation changes.

The main aims of the review were agreed as follows:

1. Review the current process of engaging and consulting with schools, pupils, parents and the public in terms of any proposed school changes
2. Identify national and international best practice on consultation and engagement
3. Review the way in which the Council's Strategic Objectives is communicated, consulted upon and understood by schools, pupils, parents and residents eg WESP and MEP
4. To formulate recommendations for consideration by the Executive Board.

The Planning and Scoping Document included the following:

- Context for the review
- Advisors / Support Officers
- Aims / scope of the review
- How it will contribute to achieving corporate/community objectives and well-being objectives
- Initial list of key stakeholders
- Information / documents required to inform the work of the study
- Timescale for completion of the review

At the first meeting of the Task and Finish Group held on 13th May, 2021 it was decided to split the review into 2 parts.

- (a) How the authority engages and consults in developing its strategic plans (WESP, MEP etc.), and
- (b) How the authority engages and consults on specific school organisation proposals

The Group agreed to focus on point (a) initially as the Department was in the process of revising its WESP and MEP, with public consultation envisaged within the next year. The Group were therefore keen to feed into that process.

During the meeting held on the 17th June, 2021 members met with Welsh Government officials, namely Bethan Webb, Deputy Director and Siwan Jones, Head of Welsh in Education Planning to consider the following:

- Welsh Government's expectation of Councils on consultation when developing Strategic Plans
- The requirements of the school organisation code in this regard, and any plans to amend the Act
- The proposed new school categorisation system for Wales

During the meeting held on 24th June, 2021 members met with further Welsh Government officials namely Neal O'Leary, Programme Director, 21st Century Schools & Colleges Programme, Jacqui Moyle, Head of School Organisation and Admissions and Rachel De Benedictis, School Reorganisation Manager, 21st Century Schools and Colleges Programme to consider the following:

- What are the expectations of WG of Councils when it comes to consulting with Schools, Staff and Communities on their Strategic Plans
- School Organisation Code – wider discussion on School Organisation Code and how Councils deal with particular proposals, i.e. schools closures, wesp etc.
- Use of funding within 21st Century Schools and ability to refurbish schools and open and close schools.

During the meeting held on 24th June, 2021 members were also presented with an outline by the Authority's Head of Curriculum & Wellbeing and Head of Access to Education on how officers intended to involve and consult different stakeholders as part of the development of the WESP and MEP over the next year.

During these meetings members discussed a number of issues. As a result of those discussions and in line with the desire to feed into the process of consultation around those Strategic Plans, the following interim recommendations were proposed:-

INTERIM RECOMMENDATIONS

1. That officers in the Education & Children's Services Department continue to develop a clear Communication Plan for the revised MEP and WESP which as well as including elected members, schools and public also includes a variety of stakeholders such as

the Youth Service, Mudiad Meithrin, Flying Start and School Councils and that the process be refined as more information becomes available;

2. That a range of both on-line and in person techniques are employed where possible in consulting on the strategic plans;
3. That officers discuss any school organisation proposals which form part of the revised MEP with schools directly before any documentation is made public, and outline the nature of the proposal i.e. Investment Programme/ Rationalisation Programme;
4. That the Authority writes to the Welsh Government urging clarity as soon as possible with regards to the new school categorisation system;
5. That the Authority writes to the Welsh Government calling on them to ensure that the process of changing a school's language category falls within the WESP instead of the School Organisation Code, to reflect the fact that a school's journey along the continuum is a process and not an event;
6. That the Authority writes to the Welsh Government seeking information on how many small schools have benefited from 21st Century funding, to determine whether evidence shows that the 5 case business model fails to deliver funding to small schools.

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Cabinet

3rd OCTOBER 2022

OMBUDSMAN'S ANNUAL LETTER 2021/2022
CARMARTHENSHIRE COUNTY COUNCIL

Purpose: to receive the Public Services for Wales Annual Letter 2021/22 (the Letter)

Recommendations / key decisions required: to receive the Letter and to assess performance and consider any actions thereupon.

Reasons: Each year the Public Services Ombudsman for Wales (**PSOW**) provides every Welsh Local Authority with a letter in the form of a fact sheet and accompanying data. It is provided to assist in reviewing performance.

Relevant scrutiny committee to be consulted	NA
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Cabinet Decision Required	YES
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Council Decision Required NO

CABINET MEMBER PORTFOLIO HOLDER:- Y Cynghorydd/Councillor Darren Price

Directorate:	Designations:	Tel: 01267 224694
Name of Head of Service: Linda Rees Jones	Head of Administration and Law	Email addresses: NEvans@carmarthenshire.gov.uk:
Report Author: Nigel J Evans:		

EXECUTIVE SUMMARY

Ombudsman's Annual Letter 2021/2022 Carmarthenshire County Council

- 1. Annually, the PSOW provides to each County Council a letter in the form of a factsheet with accompanying data. It is provided to assist in reviewing performance.**
- 2. This year's Letter is attached to this summary. Selected items include:**
 - The number of complaints relating to Local Authorities increased by 47% nationally when compared with last year;
 - There has also been a higher number of Code of Conduct complaints when compared with last year. In addition, there has been a record number referred to either the Adjudication Panel for Wales, or local standards committees;
 - Under the new 2019 Act powers, the Ombudsman published the outcome of the first "Own Initiative Investigation" (Homelessness Review), resulting in specific recommendations and suggestions designed to bring about changes for people using homelessness services. The Ombudsman also completed three extended investigations i.e. extending an investigation already underway to cover other issues;
 - Also under the new powers, the Complaints Standards team (CSA) have continued to work with public bodies, and for the first time have published information on complaints handled by Local Authorities. The CSA information showed over 15,000 complaints were recorded by Local Authorities, with nearly half (46%) of those complaints being investigated within 20 working days. About 8% of all closed complaints ended up being referred to the PSOW;
 - In terms of Carmarthenshire specifically, the PSOW received 54 complaints directly to her office against the Council. See Appendix A of the Letter. Whilst all Councils were subject to more complaints, Carmarthenshire was one of the Council's that saw the highest increase. In terms of population the number of complaints equated to 0.29 complaints per 1000 residents, against an average for Wales of 0.36 (Carmarthenshire being the fourth most populous county in Wales). Last year the figure of complaints for Carmarthenshire was 27, which equated to 0.14 against an average of 0.25;
 - Appendix B shows how Carmarthenshire complaints are broken down into subject area. Planning, Housing and complaints handling, nationally and traditionally, generate a large proportion of complaints. It is also mentioned that the classification of subject area is ascribed by the Ombudsman, so does not take into account service structures at Carmarthenshire. Subject areas may therefore contain individual cases that Carmarthenshire would categorise to a different area of service;

- Appendix C shows that there were no reports issued against Carmarthenshire, either upheld or not upheld;
- Appendix D shows to what extent the Ombudsman intervened in cases. These are cases that are settled, resolved early, or where she has issued a report. For Carmarthenshire the rate of interventions decreased when compared with last year. It equated to 14% of cases with the national also being 14%. This is in comparison with 21% of cases last year with a national average of 13%;
- Code of Conduct figures for Carmarthenshire at Appendices E and F, show there were no referrals to the Standards Committee or the Adjudication Panel for Wales.

DETAILED REPORT ATTACHED? YES – the PSOW's Annual Letter 2021/22

IMPLICATIONS

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

Signed: Linda Rees Jones Head of Administration and Law

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

1. Legal - the PSOW Annual Letter asks that the annual letter is presented in order for performance to be reviewed. The Letter is attached to this report.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below. Consultation 1-5 not applicable.

Signed; Linda Rees-Jones, Head of Administration and Law

Consultations 1 – 5 not applicable.

1.Scrutiny Committee

2.Local Member(s)

3.Community / Town Council

4.Relevant Partners

5.Staff Side Representatives and other Organisations

**CABINET MEMBER PORTFOLIO
HOLDER AWARE/CONSULTED**

YES

Include any observations here – no consultations required. The report is to receive data and information.


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 PSOW's Annual Letter 2021/22	CCOM-975	https://www.ombudsman.wales/wp-content/uploads/2022/08/Carmarthenshire-Eng.pdf http://www.ombwdsmon.cymru/wp-content/uploads/sites/2/2022/08/Carmarthenshire-Cym.pdf
The PSOW's Annual report 2021/22	CCOM-975	https://www.ombudsman.wales/wp-content/uploads/2022/08/ANNUAL-REPORT-2021-22-Signed-Version.pdf https://www.ombudsman.wales/wp-content/uploads/2022/08/2021-22-ANNUAL-REPORT-2021-22-EXECUTIVE-SUMMARY.pdf http://www.ombwdsmon.cymru/wp-content/uploads/sites/2/2022/08/ADRODDIAD-BLYNYDDOL-2021-22-Signed-Version.pdf http://www.ombwdsmon.cymru/wp-content/uploads/sites/2/2022/08/2021-22-ADRODDIAD-BLYNYDDOL-2021-22-CRYNODEB-GWEITHREDOL.pdf

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Ask for: Communications

 01656 641150

Date: August 2022

 communications@ombudsman.wales

Cllr. Darren Price
Carmarthenshire County Council
By Email only: leader@carmarthenshire.gov.uk

Annual Letter 2021/22

Dear Councillor Price

I am pleased to provide you with the Annual letter (2021/22) for Carmarthenshire County Council which deals with complaints relating to maladministration and service failure, complaints relating to alleged breaches of the Code of Conduct for Councillors and the actions being taken to improve public services

This is my first annual letter since taking up the role of Public Services Ombudsman in April 2022, and I appreciate that the effects of the pandemic are still being felt by all public bodies in Wales. Our office has not been immune from this, with records numbers of cases being referred to us over the last two years. The strong working relationships between my Office and local authorities continues to deliver improvements in how we are dealing with complaints and ensuring that, when things go wrong, we are learning from that and building stronger public services.

Complaints relating to Maladministration & Service Failure

Last year the number of complaints referred to us regarding Local Authorities increased by 47% (compared to 20/21 figures) and are now well above pre-pandemic levels. It is likely that complaints to my office, and public services in general, were suppressed during the pandemic, and we are now starting to see the expected 'rebound' effect.

During this period, we intervened in (upheld, settled or resolved at an early stage) a similar proportion of complaints about public bodies, 18%, when compared with recent years. Intervention rates (where we have investigated complaints) for Local Authorities also remained at a similar level – 14% compared to 13% in recent years.

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Complaints relating to the Code of Conduct for Councillors

We also received a high number of Code of Conduct complaints last year, relating to both Principal Councils and Town and Community Councils. A record number (20) were referred to either the Adjudication Panel for Wales or local standards committees, due to evidence of a breach of the Code.

Supporting improvement of public services

In addition to managing record levels of complaints, we also continued our work using our proactive powers in the Public Services Ombudsman (Wales) Act 2019. Specifically undertaking our first Own Initiative Investigation and continuing our work on the Complaints Standards Authority.

October 2021 saw the publication of the first own initiative investigation in Wales: [Homelessness Reviewed](#). The investigation featured three Local Authorities and sought to scrutinise the way Homelessness assessments were conducted. The report made specific recommendations to the investigated authorities, as well as suggestions to all other Local Authorities in Wales and Welsh Government. Some of these recommendations will bring about immediate change – updating factsheets and letter and assessment templates to ensure that key equality and human rights considerations are routinely embedded into processes for example – all the recommendations were designed to bring about tangible change to people using homelessness services in Wales.

The Complaints Standards Authority (CSA) continued its work with public bodies in Wales last year. The model complaints policy has already been adopted by local authorities and health boards in Wales, we have now extended this to an initial tranche of Housing Associations and Natural Resources Wales. The aim being to implement this work across the Welsh public sector.

In addition to this, the CSA published information on complaints handled by local authorities for the [first time](#) – a key achievement for this work. The data for 21/22 showed:

- Over 15,000 complaints were recorded by Local Authorities
- 4.88 for every 1000 residents.
- Nearly half (46%) of those complaints were upheld.
- About 75% were investigated within 20 working days.
- About 8% of all complaints closed ended up being referred to PSOW.

The CSA has now implemented a model complaints policy with nearly 50 public bodies, and delivered 140 training sessions, completely free of charge, during the last financial year. The feedback has been excellent, and the training has been very popular - so I would encourage Carmarthenshire County Council to engage as fully as possible.

Complaints made to the Ombudsman

A summary of the complaints of maladministration/service failure received relating to your Council is attached, along with a summary of the Code of Conduct complaints relating to members of the Council and the Town & Community Councils in your area.

In light of the new duties on political leaders and standards committees to promote and maintain high standards of conduct of their members, we look forward to working with you, your Monitoring Officer and standards committees to share any learning from the complaints we receive and to support your authority's work.

I would also welcome feedback on your Governance & Audit Committee's review of your authority's ability to handle complaints effectively so that we can take this into account in our work and support its work on the handling of complaints.

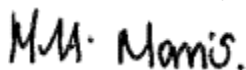
Finally, can I thank you and your officials for the positive way that local authorities have engaged with my Office to enable us to deliver these achievements during what has been a challenging year for everyone. I very much look forward to continuing this work and collaboration to ensure we further improve public services across Wales.

Further to this letter can I ask that your Council takes the following actions:

- Present my Annual Letter to the Cabinet and to the Governance & Audit Committee to assist members in their scrutiny of the Council's performance and share any feedback from the Cabinet and the Governance & Audit Committee with my office.
- Continue to engage with our Complaints Standards work, accessing training for your staff, fully implementing the model policy, and providing complaints data.
- Inform me of the outcome of the Council's considerations and proposed actions on the above matters by 30 September.

This correspondence is copied to the Chief Executive of your Council and to your Contact Officer. Finally, a copy of all Annual Letters will be published on my website.

Yours sincerely,



Michelle Morris

Public Services Ombudsman

cc. Wendy Walters, Chief Executive, Carmarthenshire County Council.

By Email only: chiefexecutive@carmarthenshire.gov.uk

Factsheet

Appendix A - Complaints Received

Local Authority	Complaints Received	Received per 1000 residents
Blaenau Gwent County Borough Council	14	0.20
Bridgend County Borough Council	55	0.37
Caerphilly County Borough Council	60	0.33
Cardiff Council*	182	0.50
Carmarthenshire County Council	54	0.29
Ceredigion County Council	52	0.72
Conwy County Borough Council	27	0.23
Denbighshire County Council	34	0.36
Flintshire County Council	99	0.63
Gwynedd Council	39	0.31
Isle of Anglesey County Council	29	0.41
Merthyr Tydfil County Borough Council	27	0.45
Monmouthshire County Council	20	0.21
Neath Port Talbot Council	45	0.31
Newport City Council	40	0.26
Pembrokeshire County Council	39	0.31
Powys County Council	55	0.42
Rhondda Cynon Taf County Borough Council	51	0.21
Swansea Council	71	0.29
Torfaen County Borough Council	18	0.19
Vale of Glamorgan Council	61	0.46
Wrexham County Borough Council	71	0.52
Total	1143	0.36

* inc 17 Rent Smart Wales

Appendix B - Received by Subject

Carmarthenshire County Council	Complaints Received	% Share
Adult Social Services	11	20%
Benefits Administration	1	2%
Children's Social Services	2	4%
Community Facilities, Recreation and Leisure	0	0%
Complaints Handling	8	15%
Covid19	0	0%
Education	0	0%
Environment and Environmental Health	5	9%
Finance and Taxation	1	2%
Housing	8	15%
Licensing	0	0%
Planning and Building Control	12	22%
Roads and Transport	1	2%
Various Other	5	9%
Total	54	

Appendix C - Complaint Outcomes (* denotes intervention)

County/County Borough Councils	Out of Jurisdiction	Premature	Other cases closed after initial consideration	Early Resolution/ voluntary settlement*	Discontinued	Other Reports- Not Upheld	Other Reports Upheld*	Public Interest Report*	Total
Carmarthenshire County Council	5	20	17	7	0	0	0	0	49
% Share	10%	41%	35%	14%	0%	0%	0%	0%	

Appendix D - Cases with PSOW Intervention

	No. of interventions	No. of closures	% of interventions
Blaenau Gwent County Borough Council	0	13	0%
Bridgend County Borough Council	7	54	13%
Caerphilly County Borough Council	7	58	12%
Cardiff Council	45	159	28%
Cardiff Council - Rent Smart Wales	1	16	6%
Carmarthenshire County Council	7	49	14%
Ceredigion County Council	13	46	28%
Conwy County Borough Council	2	24	8%
Denbighshire County Council	4	33	12%
Flintshire County Council	15	94	16%
Gwynedd Council	6	41	15%
Isle of Anglesey County Council	3	28	11%
Merthyr Tydfil County Borough Council	2	26	8%
Monmouthshire County Council	2	21	10%
Neath Port Talbot Council	5	45	11%
Newport City Council	4	36	11%
Pembrokeshire County Council	2	40	5%
Powys County Council	7	55	13%
Rhondda Cynon Taf County Borough Council	3	45	7%
Swansea Council	10	76	13%
Torfaen County Borough Council	2	20	10%
Vale of Glamorgan Council	9	62	15%
Wrexham County Borough Council	4	67	6%
Total	160	1108	14%

Appendix E - Code of Conduct Complaints

County/County Borough Councils	Discontinued	No evidence of breach	No action necessary	Refer to Adjudication Panel	Refer to Standards Committee	Withdrawn	Total
Carmarthenshire County Council	1	5	0	0	0	0	6

Appendix F - Town/Community Council Code of Complaints

Town/Community Council	Discontinued	No evidence of breach	No action necessary	Refer to Adjudication Panel	Refer to Standards Committee	Withdrawn	Total
Betws Community Council	-	-	-	-	-	-	0
Cwmaman Town Council	1	1	0	0	0	0	2
Llanelli Rural Council	1	0	0	0	0	0	1
Llanelli Town Council	-	-	-	-	-	-	0
Llanfynydd Community Council [Carmarthenshire]	-	-	-	-	-	-	0
Llangunnor Community Council	-	-	-	-	-	-	0
Llannon Community Council	0	1	0	0	0	0	1

Information Sheet

Appendix A shows the number of complaints received by PSOW for all Local Authorities in 2021/2022. These complaints are contextualised by the number of people each health board reportedly serves.

Appendix B shows the categorisation of each complaint received, and what proportion of received complaints represents for the Local Authority.

Appendix C shows outcomes of the complaints which PSOW closed for the Local Authority in 2021/2022. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

Appendix D shows Intervention Rates for all Local Authorities in 2021/2022. An intervention is categorised by either an upheld complaint (either public interest or non-public interest), an early resolution, or a voluntary settlement.

Appendix E shows the outcomes of Code Of Conduct complaints closed by PSOW related to Local Authority in 2021/2022. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

Appendix F shows the outcomes of Code of Conduct complaints closed by PSOW related to Town and Community Councils in the Local Authority's area. This table shows both the volume, and the proportion that each outcome represents for each Town or Community Council.

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Agenda Item 15

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

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