



8.5% (£26.432 million). The Aggregate External Finance (AEF) had therefore increased to £338.017 million in 2023/24. Whilst the settlement was significantly above the indicative figure of a 3.4% increase and provided £15.5m more than the original assumption, Welsh Government had recognised that the increased figure would not be enough to meet the inflationary pressures currently facing councils and that difficult decisions would therefore need to be made.

It was noted that whilst significant work had already been undertaken in preparing the budget, the report was only an initial position statement which would be updated over the coming months as the budget was further developed. However, it was reported that due to the delays in the provisional settlement, and the consequential impact on Welsh Government's budget finalisation, the publication of the final settlement would not be published until the 7th March 2023.

In recognising the critical importance of minimising the Council Tax increase for residents during the current cost of living crisis, it was considered necessary to respond to the current risks around this Budget Strategy and the ongoing inflationary backdrop. The Budget Strategy, in line with the Medium Term Financial Plan proposed that the Council Tax for 2023/24 be increased to 7%, which sought to mitigate reductions to critical services. The proposal would be considered as part of the budget finalisation process over the next month or so and when the Authority would receive further clarification on cost and grant funding with a view to limiting the Council Tax increase as far as possible. Final budget proposals would then be presented to the Cabinet mid/late February, which would allow a balanced budget to be presented to County Council on the 1st March 2023.

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

- The Director of Corporate Resources agreed to circulate a list of those schools which currently had a budget deficit;
- In response to a concern regarding the proposed 'Reduction in the Hardware Replacement Programme', including staff laptops etc., as a savings proposal the Head of ICT & Corporate Policy expressed confidence that the impact could be minimised;
- Concerns were expressed that the removal of the civic and cabinet vehicles was included as a savings proposal.

**RESOLVED to accept the report and endorse the Charging Digest subject to the Cabinet being requested to retain the civic and cabinet vehicles.**

#### **5. FIVE YEAR CAPITAL PROGRAMME (COUNCIL FUND) 2023/24 TO 2027/28**

The Cabinet Member for Resources presented the 5-year capital programme which provided an initial view of the 5-year Capital Programme from 2023/24 to 2027/28. The report formed the basis of the budget consultation process with members and other relevant parties and any feedback, along with the final settlement, would inform the final budget report which would be presented to Council in March 2023.

The proposed gross expenditure on the capital programme for 2023/24 was £154.530m with the projected funding being £90.527m from the county council's own resources through the use of borrowing, reserves and direct revenue

financing, capital receipts and general capital grant, with the balance of £64.003m coming from external sources. These figures included projects delayed in 2022/23 which had been carried over and built into the budgets of future years.

Whilst the new capital programme was fully funded over the five-year period it was proposed to under commit some of the available funding in order to give flexibility across the programme to cover any unexpected additional costs and to allow further consideration to the Sustainable Communities for Learning review when complete. The programme included projected expenditure on the Swansea Bay City Region Deal projects against which the authority would borrow, with the funding being returned from both Welsh and UK governments over a 15-year period (from 2018/19).

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

- In response to a comment the Head of Regeneration advised that round three of the Levelling-Up fund in Carmarthenshire would be restricted to bids from the Llanelli Parliamentary Constituency as the other two constituencies had already benefitted from funding for the conversion of the former Debenhams store and Tywi Valley Cycle Path;
- Reference was made to the work being undertaken to address deprivation in the Glan y Mor and Tyisha wards in south Llanelli and the benefits which were likely to accrue from the Pentre Awel scheme;
- Concern was expressed that no funding for flood management was included in years 2-5 of the 5-year programme particularly in light of the increase in flooding incidents and global warming. The Director of Corporate Resources agreed to convey the concern to the Director of Place and Infrastructure.

**RESOLVED that the Five-Year Capital Programme 2023/24 – 2027/28 be endorsed.**

#### **6. TREASURY MANAGEMENT POLICY AND STRATEGY 2023-24**

The Cabinet Member for Resources presented the proposed Treasury Management Policy and Strategy 2023/24 which would be considered by the Cabinet on the 13<sup>th</sup> February, 2023. As part of the requirements of the revised CIPFA Code of Practice on Treasury Management the Council was required to maintain a Treasury Management Policy detailing the policies and objectives of its treasury management activities, and to approve a Treasury Management Strategy annually prior to the commencement of the financial year to which it related. Additionally, under the provisions of the Local Government Act 2003, the Council was required to approve its Treasury Management Prudential Indicators for the coming year.

**UNANIMOUSLY RESOLVED that the Treasury Management Policy and Strategy for 2023/24 and associated appendices be endorsed.**

#### **7. REVENUE & CAPITAL BUDGET MONITORING REPORT 2022/23**

The Cabinet Member for Resources presented the Authority's Corporate Budget Monitoring Report and the Chief Executive's and Corporate Services

departmental reports as at 31st October 2022 in respect of the 2022/23 financial year. The report also included an appendix detailing Savings Monitoring 2022-23.

Amongst the issues and queries raised on the report were the following:

- The Director of Corporate Services was thanked for the expediency in which staff had recently received back-pay and he agreed to look into a query regarding the payment of maternity back-pay;
- In response to a query the Cabinet Member for Resources confirmed that the Cabinet would be considering the issue of county farms in due course.

**UNANIMOUSLY RESOLVED to receive the report.**

**8. CARMARTHENSHIRE PUBLIC SERVICES BOARD (PSB) MINUTES - NOVEMBER 2022**

The Committee considered the minutes of the meeting of the Carmarthenshire Public Services Board [PSB] held on the 23<sup>rd</sup> November, 2022. The Well-being of Future Generations (Wales) Act 2015 required that a designated local government scrutiny committee was appointed to scrutinise the work of the PSB. In Carmarthenshire, the Council's Corporate Performance & Resources Scrutiny Committee had been designated as the relevant scrutiny committee.

**UNANIMOUSLY RESOLVED that the minutes of the PSB meeting held on the 23<sup>rd</sup> November, 2022 be received.**

**9. FORTHCOMING ITEMS**

**UNANIMOUSLY RESOLVED that the meeting scheduled to have been held on the 9<sup>th</sup> February 2023 be cancelled and that**

**9.1 the Quarterly Treasury Management and Prudential Indicator Report and Actions and Referrals Update Report be considered at the meeting scheduled to be held on the 31<sup>st</sup> March 2023;**

**9.2 the 2022/23 Quarter 2 - Performance Report be e-mailed to Committee members.**

**10. MINUTES - 13TH DECEMBER 2022**

**UNANIMOUSLY RESOLVED that the minutes of the meeting held on the 13<sup>th</sup> December 2022 be signed as a correct record.**

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**CHAIR**

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**DATE**