

Pecyn Dogfennau Cyhoeddus

Penallta House,
Tredomen Park,
Ystrad Mynach,
Hengoed CF82 7PG

Ty Penallta,
Parc Tredomen,
Ystrad Mynach,
Hengoed CF82 7PG



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Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Sharon Hughes
(Rhif Ffôn: 01443 864281 Ebst: hughesj@caerphilly.gov.uk)

Dyddiad: 21 Chwefror 2024

Bydd y cyfarfod hwn yn cael ei ffrydio'n fyw ac yn cael ei recordio a bydd ar gael i'w weld ar wefan y Cyngor, ac eithrio trafodaethau sy'n ymwneud ag eitemau cyfrinachol neu eithriedig. Felly, bydd delweddau/sain yr unigolion sy'n siarad ar gael yn gyhoeddus i bawb trwy'r recordiad ar wefan y Cyngor: www.caerffili.gov.uk

Mae croeso i chi ddefnyddio'r Gymraeg yn y cyfarfod, mae angen o leiaf 3 diwrnod gwaith o rybudd os byddwch chi'n dymuno gwneud hynny. Bydd gwasanaeth cyfieithu ar y pryd yn cael ei ddarparu ar gais.

I bwy bynnag a fynno wybod,

Bydd cyfarfod y **Cyngor** yn cael ei gynnal yn y Siambr, Tŷ Penallta a thrwy Microsoft Teams ar **Dydd Mawrth, 27ain Chwefror, 2024** am **5.00 pm** i ystyried materion a gynhwysir yn yr agenda canlynol. Gall aelodau'r Cyhoedd neu'r Wasg fynychu'n bersonol yn Nhŷ Penallta neu gallant weld y cyfarfod yn fyw drwy'r ddolen ganlynol: <https://civico.net/caerphilly>

Yr eiddoch yn gywir,

Christina Harrhy
PRIF WEITHREDWR

AGENDA

Tudalennau

- 1 I dderbyn ymddiheuriadau am absenoldeb.

A greener place Man gwyrddach



Correspondence may be in any language or format | Gallwch ohebu mewn unrhyw iaith neu fformat

2 Datganiadau o Ddiddordeb.

Atgoffi'r Cynghorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cynghorwyr a Swyddogion.

3 Cyflwyno Gwobrau.

I gymeradwyo a llofnodi'r cofnodion canlynol:-

4	Cyngor ar 29ain Tachwedd 2023.	1 - 16
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Derbyn ac ystyried y Rhybudd o Gynnig a ganlyn:-

5	Setliad Llywodraeth Leol Cymru.	17 - 22
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I dderbyn ac ystyried yr adroddiad(au) canlynol:-

6	Cyhoeddi'r Datganiad ar Bolisi Tâl 2024/25.	23 - 46
7	Cynllun Gostyngiadau Treth y Cyngor 2024/25.	47 - 50
8	Adroddiad Strategaeth Cyfalaf 2024/25.	51 - 60
9	Strategaeth Flynyddol Rheoli'r Trysorlys, Dangosyddion Darbodus Cyllid Cyfalaf a'r Polisi Darpariaeth Isafswm Refeniw ar gyfer 2024/25.	61 - 96
10	Cynigion y Gyllideb ar gyfer 2024/25.	97 - 144
11	Cynnig Gosod Treth y Cyngor 2024/25.	145 - 152
12	Derbyn cyhoeddiadau gan y Maer.	153 - 154

13 I dderbyn deisebau o dan Reol Gweithdrefn 28(3).

14 I dderbyn ac i ateb cwestiynau a dderbyniwyd o dan Reol Gweithdrefn 10 (2).

Cwestiwn gan y Cynghorydd K. Etheridge i Arweinydd y Cyngor, y Cynghorydd S. Morgan.

A minnau wedi mynychu'r digwyddiad ystwyth a thrawsnewid, a fyddai'r Arweinydd yn gallu egluro pa amserlen a chost prosiectau sy'n cael eu hystyried ar gyfer Coed Duon, Rhisga, Trecelyn ac etholaeth Islwyn gyda chyfranogiad y sector preifat gan fy mod i'n gweld rhesymoli yn cael ei ystyried ar gyfer y caffi gwybodaeth i dwristiaid sy'n gweithredu ar golled o £100,000 y flwyddyn yng Nghaerffili ac a yw hyn yn gywir?

15 I dderbyn ac i ateb cwestiynau a dderbyniwyd o dan Reol Gweithdrefn 10(3).

Cwestiwn gan y Cynghorydd A. Hussey i'r Aelod Cabinet dros Wasanaethau Corfforaethol, Eiddo a Phrifyrdd, y Cynghorydd N. George.

Faint o gynnydd sydd wedi'i wneud gyda'n rhesymoli asedau ni o gymharu â'r adeg hon y llynedd?

16 Derbyn cwestiynau o dan Reol Gweithdrefn 10(12) a bydd ymateb ysgrifenedig yn cael ei ddarparu ar eu cyfer.

Cylchrediad:

Pob Aelod a Swyddog Priodol

SUT FYDDWN YN DEFNYDDIO EICH GWYBODAETH

Bydd yr unigolion hynny sy'n mynychu cyfarfodydd pwyllgor i siarad/roi tystiolaeth yn cael eu henwi yng nghofnodion y cyfarfod hynny, weithiau bydd hyn yn cynnwys eu man gweithio neu fusnes a'r barnau a fynegir. Bydd cofnodion o'r cyfarfod gan gynnwys manylion y siaradwyr ar gael i'r cyhoedd ar wefan y Cyngor ar www.caerffili.gov.uk ac eithrio am drafodaethau sy'n ymwneud ag eitemau cyfrinachol neu eithriedig.

Mae gennych nifer o hawliau mewn perthynas â'r wybodaeth, gan gynnwys yr hawl i gael mynediad at wybodaeth sydd gennym amdanoch a'r hawl i gwyno os ydych yn anhapus gyda'r modd y mae eich gwybodaeth yn cael ei brosesu.

Am wybodaeth bellach ar sut rydym yn prosesu eich gwybodaeth a'ch hawliau, ewch i'r [Hysbysiad Preifatrwydd Cyfarfodydd Pwyllgor Llawn](#) ar ein gwefan neu cysylltwch â Gwasanaethau Cyfreithiol drwy e-bostio griffd2@caerffili.gov.uk neu ffoniwch 01443 863028.

Gadewir y dudalen hon yn wag yn fwriadol



CYNGOR

COFNODION Y CYFARFOD AML-LEOLIAD A GYNHALIWYD YN NHŶ PENALLTA A THRWY MICROSOFT TEAMS DDYDD MAWRTH, 27 CHWEFOR 2024 AM 5.00PM

YN BRESENNOL:

Y Cynghorydd M. Adams – Maer
Y Cynghorydd J. Simmonds – Dirprwy Faer

Cynghorwyr:

E. M. Aldworth, C. Andrews, A. Angel, C. Esgob, A. Broughton-Pettit, M. Chacon-Dawson, R. Chapman, P. Cook, S. Cook, C. Cuss, E. Davies, T. D. Davies MBE, N. Dix, G. Ead, G. Enright, K. Etheridge, M. Evans, A. Farina-Childs, C. Forehead, E. Forehead, A. Gair, N. George, C. Gordon, D. Harse, A. Hussey, D. Ingram-Jones, M. James, L. Jeremiah, G. Johnston, J. Jones, S. Kent, A. Leonard, P. Leonard, C. Mann, A. McConnell, B. Miles, C. Morgan, S. Morgan, B. Owen, T. Parry, L. Phipps, M. Powell, H. Pritchard, J. Pritchard, J.A. Pritchard, J. Rao, J. Reed, J. Roberts, J. Scriven, S. Skivens, E. Stenner, J. Taylor, C. Thomas, A. Whitcombe, L. Whittle, S. Williams, W. Williams, J. Winslade a C. Wright.

Ynghyd â:

D. Street (Dirprwy Brif Weithredwr); R. Edmunds (Cyfarwyddwr Corfforaethol Addysg a Gwasanaethau Corfforaethol); M.S. Williams (Cyfarwyddwr Corfforaethol yr Economi a'r Amgylchedd); G. Jenkins (Cyfarwyddwr Corfforaethol Dros Dro Gwasanaethau Cymdeithasol); S. Harris (Pennaeth Gwasanaethau Ariannol a Swyddog Adran 151); R. Tranter (Pennaeth Gwasanaethau Cyfreithiol a Swyddog Monitro); L. Lane (Pennaeth Gwasanaethau Democrataidd a Dirprwy Swyddog Monitro); L. Donovan (Pennaeth Gwasanaethau Pobl); R. Kyte (Pennaeth Adfywio a Chynllunio); L. Sykes (Dirprwy Bennaeth Gwasanaethau Ariannol a Swyddog A151); J. Williams (Cyfarwyddwr Cynorthwyol Gwasanaethau i Oedolion); R. Williams (Cyfrifydd Grŵp – Trysorlys a Chyfalaf); E. Sullivan (Uwch Swyddog Gwasanaethau Pwyllgor), a S. Hughes (Swyddog Gwasanaethau Pwyllgor).

TREFNIADAU RECORDIO, FFILMIO A PHLEIDLEISIO

Atgoffodd y Dirprwy Brif Weithredwr y rhai a oedd yn bresennol fod y cyfarfod yn cael ei ffrydio'n fyw, a byddai recordiad ar gael yn dilyn y cyfarfod drwy wefan y Cyngor – Cliciwch Yma i Weld. Dywedodd y byddai penderfyniadau'n cael eu gwneud drwy Microsoft Forms.

1. DERBYN YMDDIHEURIADAU AM ABSENOLDEB

Derbyniwyd ymddiheuriadau am absenoldeb gan y Cynghorwyr D. Cushing, C. Elsbury, J.E. Fussell, T. Heron, D.W.R. Preece, D. Price, R. Saralis a K. Woodland, ynghyd â C. Harry (Prif Weithredwr).

2. DATGANIADAU O FUDDIANT

Ni dderbyniwyd unrhyw ddatganiadau o fuddiant.

3. CYFLWYNO GWOBRAU

Nid oedd gwobrau i'w cyflwyno.

Cyflwynodd y Cynghorydd C. Mann lythyr, mewn perthynas â Coffi Vista, at y Maer.

4. CYFARFOD Y CYNGOR A GYNHALIWDYD AR 29 TACHWEDD 2023

PENDERFYNWYD cymeradwyo cofnodion cyfarfod y Cyngor a gynhaliwyd ar 29 Tachwedd 2023 fel cofnod cywir.

5. HYSBYSIAD O GYNNIG – SETLIAD LLYWODRAETH LEOL CYMRU

Rhodddwyd ystyriaeth i'r adroddiad a oedd yn gofyn i'r Cyngor ystyried yr Hysbysiad o Gynnig fel y nodir ym mharagraff 5.1 yr adroddiad a gwneud argymhelliad priodol. Yn unol â Rheol 11(3) o'r Cyfansoddiad, er mwyn hwyluso busnes, cytunodd y Maer i ganiatáu i'r Cynnig gael ei drin gan y Cyngor heb i'r Cynnig gael ei drafod yn gyntaf mewn Pwyllgor Trosolwg a Chraffu. Derbyniwyd Hysbysiad o Gynnig gan y Cynghorydd S. Morgan (Arweinydd y Cyngor) a'i gefnogi gan y Cynghorwyr J. Pritchard, N. George, E. Stenner, S. Cook, C. Andrews, P. Leonard, E. Forehead, C. Morgan, L. Whittle a N. Dix.

Cyflwynodd Arweinydd y Cyngor yr Hysbysiad o Gynnig. Gofynnwyd i'r Cyngor ysgrifennu at Lywodraeth y DU a galw ar Lywodraeth Geidwadol y DU i fuddsoddi mewn gwasanaethau cyhoeddus, gan gynnwys gwasanaethau iechyd, addysg a llywodraeth leol a darparu setliad teg i Lywodraeth Cymru er mwyn gallu ariannu gwasanaethau yng Nghymru yn briodol. Gofynnwyd i'r Cyngor hefyd alw ar Weinidogion Ceidwadol i gyhoeddi buddsoddiad ychwanegol yn y gyllideb ym mis Mawrth a chondemnio'r setliad cwbl annigonol i Gymru a gyhoeddwyd gan Lywodraeth Geidwadol y DU yn Natganiad yr Hydref.

Anerchodd Arweinydd grŵp Plaid Cymru y Cyngor i fynegi cefnogaeth i'r Hysbysiad o Gynnig. Cyfeiriwyd at HS2 gan nad yw wedi arwain at unrhyw gyllid ychwanegol ar gyfer prosiectau seilwaith yng Nghymru.

Anerchodd Arweinydd grŵp Annibynnol y Cyngor hefyd i fynegi cefnogaeth i'r Hysbysiad o Gynnig. Dadleuwyd y dylid trosglwyddo'r arian a roddir i Gymru i lywodraeth leol yn hytrach na'i wario ar brosiectau cenedlaethol.

Lleisiodd Aelod ei siom o ran y setliad ariannol, gyda Chaerffili yn derbyn un o'r codiadau isaf yng nghyllid Cynghorau gan Lywodraeth Cymru. Mewn ymateb, dywedwyd wrth yr Aelodau fod Arweinydd y Cyngor wedi ysgrifennu at Lywodraeth Cymru a'i llobio mewn sawl cyfarfod ynghylch y mater hwn.

Ar ôl ystyried yr adroddiad, cafodd ei gynnig a'i eilio bod yr argymhelliad yn cael ei gymeradwyo. Trwy gyfrwng Microsoft Forms a chadarnhad llafar (ac wrth nodi bod 57 o Blaid, 0 yn Erbyn a 0 yn Ymatal) cefnogwyd yr Hysbysiad o Gynnig yn unfrydol.

PENDERFYNWYD cefnogi'r Hysbysiad o Gynnig.

6. CYHOEDDI DATGANIAD POLISI TÂL 2024/25

Rhodddwyd ystyriaeth i'r adroddiad a oedd yn gofyn am gymeradwyaeth gan y Cyngor ar gyfer cyhoeddi Datganiad Polisi Tâl yr Awdurdod 2024/25. Nodwyd bod y Datganiad Polisi Tâl yn cynnwys manylion llawn y sefyllfa o ran tâl ar gyfer y Cyngor ar gyfer 2024/25 ac

mae'n ddatganiad ffeithiol. Hysbyswyd yr Aelodau ei bod yn ofyniad deddfwriaethol i'r wybodaeth hon gael ei chyhoeddi'n flynyddol erbyn 31 Mawrth bob blwyddyn, unwaith y bydd y Cyngor yn cytuno. Bydd y Datganiad Polisi Tâl yn cael ei gyhoeddi ar wefan y Cyngor a bydd ar gael i'r cyhoedd ei ddefnyddio.

Cyfeiriodd yr Aelod Cabinet dros Wasanaethau Corfforaethol, Eiddo a Phrifyrdd y Cyngor at Atodiad D o Ddatganiad Polisi Tâl 2024/25 a gofynnwyd i'r Aelodau nodi y dylai Cynyddran 3 ar gyfer Cyfarwyddwr fod yn £134,128.

Darparwyd eglurhad ar ddata lluosog cyflog, mewn perthynas â'r lluosrif rhwng cyflog blynyddol cyflogai isaf y Cyngor a'r Prif Weithredwr (sail gyfwerth ag amser llawn) fel cymhareb.

Mewn ymateb i ymholiad gan Aelod, cadarnhaodd Pennaeth y Gwasanaethau Pobl y cytunwyd ar gyflogau'r man ar gyfer y Prif Weithredwr a'r Dirprwy Brif Weithredwr yn unol â phenderfyniad y Cyngor a'r unig newid i'r cyflogau hynny fyddai'r gwobrau cyflog cenedlaethol. Mewn ymateb i ymholiad pellach, cadarnhawyd mai'r unig swydd wag yn y Strwythur Uwch Reolwr yw'r Pennaeth Adfywio a Chynllunio.

Ar ôl ystyried yr adroddiad, cafodd ei gynnig a'i eilio bod yr argymhelliad yn cael ei gymeradwyo. Trwy gyfrwng Microsoft Forms a chadarnhad llafar (ac wrth nodi bod 56 o Blaid, 0 yn Erbyn ac 1 yn Ymatal) cytunwyd ar hyn gan y mwyafrif a oedd yn bresennol.

PENDERFYNWYD:-

1. Cytuno ar Ddatganiad Polisi Tâl 2024/25 (Fersiwn 13) i'w gyhoeddi ar wefan y Cyngor.

7. CYNLLUN GOSTYNGIADAU TRETH Y CYNGOR 2024/25

Rhoddwyd ystyriaeth i'r adroddiad a oedd yn gofyn am gymeradwyaeth y Cyngor o'r Cynllun Gostyngiadau Treth y Cyngor ar gyfer blwyddyn ariannol 2024/25. Rhoddodd yr Aelod Cabinet dros Gyllid a Pherfformiad grynoded o'r adroddiad.

Gofynnodd Aelod sut mae preswylwyr eisoes wedi elwa o'r Cynllun Gostyngiadau Treth y Cyngor. Dywedodd yr Aelod Cabinet dros Gyllid a Pherfformiad fod 16,098 o aelwydydd yn y Fwrdeistref Sirol yn derbyn cymorth gyda'u taliadau Treth y Cyngor ac mae 13,874 o'r aelwydydd hynny yn derbyn gostyngiad o 100% o'u bil Treth y Cyngor.

Gofynnodd Aelod arall faint o deuluoedd sy'n gweithio sy'n derbyn gostyngiad yn eu bil Treth y Cyngor a faint o'r rheini sydd mewn cyflogaeth lawn-amser. Mewn ymateb, dywedodd y Pennaeth Gwasanaethau Ariannol a Swyddog Adran 151 y byddai'n anodd tynnu'r wybodaeth hon o'r system, ond pe bai'r wybodaeth ar gael, byddai'n cael ei rhannu yn dilyn y cyfarfod.

Ar ôl ystyried yr adroddiad, cafodd ei gynnig a'i eilio bod yr argymhelliad yn cael ei gymeradwyo. Trwy gyfrwng Microsoft Forms a chadarnhad llafar (ac wrth nodi bod 56 o Blaid, 0 yn Erbyn a 0 yn Ymatal) cytunwyd ar hyn yn unfrydol.

PENDERFYNWYD:-

1. Bod y Cynllun Gostyngiadau Treth y Cyngor presennol yn parhau ar gyfer blwyddyn ariannol 2024/25 ynghyd â'r disgresiwn lleol y cytunwyd arno'n flaenorol.

8. ADRODDIAD STRATEGAETH GYFALAF 2024/25

Rhodddwyd ystyriaeth i'r adroddiad a oedd yn gofyn i'r Cyngor gymeradwyo adroddiad Strategaeth Gyfalaf yr Awdurdod ar gyfer blwyddyn ariannol 2024/25 yn unol â'r Cod Darbodus a gyflwynwyd gan Ddeddf Llywodraeth Leol 2003. Roedd yr adroddiad yn croesgyfeirio at yr adroddiad gan y Dirprwy Brif Weithredwr ar Gyllidebau Cyllid a Chyfalaf ["adroddiad y gyllideb"]; ac Adroddiad Polisi Darpariaeth Isafswm Refeniw ar gyfer 2024/2025 a Strategaeth Flynyddol Rheoli'r Trysorlys, Dangosyddion Darbodus Cyllid Cyfalaf a Darpariaeth Refeniw Gofynnol ar gyfer 2024/2025.

Ymatebodd y Pennaeth Gwasanaethau Ariannol a Swyddog Adran 151 i sawl ymholiad ynghylch Rhaglen Gyfalaf 2024/25 – 2026/27. Esboniwyd bod gwariant cyfalaf yn cael ei broffilio yn unol â gwariant a gynllunnir, ac os na chaiff ei gyflawni am unrhyw reswm, yna gellir ei gario ymlaen i flynyddoedd ariannol yn y dyfodol. Eglurwyd hefyd nad yw'r gyllideb graidd nas dyrennir yn cael ei dyrannu i unrhyw brosiectau penodol ar hyn o bryd, fodd bynnag, bydd diffyg sylweddol yn y cyllid sydd ei angen ar gyfer y gwaith sy'n cael ei wneud gan Mwstro Tîm Caerffili yn ogystal â Chynllun Llunio Lleoedd Caerffili.

Rhodddwyd gwybod i'r Aelodau y bydd y gyllideb gyfalaf graidd nas dyrennir yn cael ei dyrannu yn ystod y misoedd nesaf i gynigion penodol a bydd adroddiad yn cael ei gyflwyno i'r Cabinet a'r Cyngor i'w ystyried. Awgrymodd Aelod y dylid defnyddio peth o'r gyllideb graidd nas dyrennir yn erbyn rhai o'r cynigion arbedion drafft sydd wedi taro preswylwyr yn arbennig o galed, megis y cynnydd mewn ffioedd ar gyfer defnyddio caeau chwaraeon awyr agored. Amlygodd Pennaeth y Gwasanaethau Ariannol a Swyddog A151 elfennau sylweddol o fesurau dros dro sydd eisoes yng nghynigion y gyllideb ddrafft ar gyfer 2024/25, gan gynnwys y defnydd arfaethedig o gronfeydd wrth gefn, a phwysleisiodd nad yw hyn yn ddull cynaliadwy nac yn briodol. Wrth ymateb i'r ymholiadau a godwyd, tynnodd Arweinydd y Cyngor sylw at y ffaith bod y rhan fwyaf o'r prosiectau cyfalaf yn derbyn cyllid ychwanegol gan Lywodraeth y DU neu Lywodraeth Cymru.

Yn ystod y drafodaeth, codwyd nifer o bryderon ynghylch amseroedd cwblhau'r prosiect a'r tebygolrwydd o orwario. Eglurodd Pennaeth y Gwasanaethau Ariannol a Swyddog Adran 151 fod y ffigurau yn yr adroddiad yn seiliedig ar amcangyfrifon gorau ar hyn o bryd a'r cyngor a dderbyniwyd gan ddeiliaid cyllideb a phartneriaid eraill wrth roi cynigion at ei gilydd. Bydd pob prosiect yn cael ei adolygu'n agos a bydd adroddiadau monitro'r gyllideb yn rhoi diweddariad i'r Aelodau o ran gwariant yn erbyn y cyllidebau. Ymatebodd Arweinydd y Cyngor a'r Aelod Cabinet dros Gyllid a Pherfformiad hefyd i'r pryderon a godwyd. Cydnabuwyd y gallai prosiectau gymryd mwy o amser na'r disgwyl, ond ni fyddai hynny'n atal y Cyngor rhag bwrw ymlaen â phrosiectau.

Cynhaliwyd trafodaeth ynghylch Rhaglen Caerffili 2035 a'r digwyddiadau ymgynghori diweddar. Codwyd nifer o ymholiadau ynghylch yr ymgynghoriad cyhoeddus a gofynnodd Aelod pa brosiectau sydd wedi newid o ganlyniad. Dywedodd y Dirprwy Arweinydd a'r Aelod Cabinet dros Ffyniant, Adfywio a Newid yn yr Hinsawdd fod preswylwyr o blaid y rhan fwyaf o'r cynigion ar y cyfan, ac y byddai'r adborth hwnnw'n cael ei adolygu'n barhaus. Anogwyd yr holl Aelodau i fynychu sesiynau ymgysylltu a digwyddiadau ymgynghori yn y dyfodol.

Gofynnodd y Cyngorydd G. Enright am ymateb i'w bryderon ysgrifenedig ynghylch WiFi cyhoeddus am ddim yn Ystad Mynach, a nodwyd gan y Maer.

Ar ôl ystyried yr adroddiad, cafodd ei gynnig a'i eilio bod yr argymhelliad yn cael ei gymeradwyo. Trwy gyfrwng Microsoft Forms a chadarnhad llafar (ac wrth nodi bod 51 o Blaid, 1 yn Erbyn a 7 yn Ymatal) cytunwyd ar hyn gan y mwyafrif a oedd yn bresennol.

PENDERFYNWYD:-

1. Bod Adroddiad y Strategaeth Gyfalaf flynyddol yn cael ei gymeradwyo.

9. STRATEGAETH FLYNYDDOL RHEOLI'R TRYSORLYS, DANGOSYDDION DARBODUS CYLLID CYFALAF A PHOLISI ISAFSWM DARPARIAETH REFENIW AR GYFER 2024/25.

Rhoddwyd ystyriaeth i'r adroddiad a oedd yn ceisio cymeradwyaeth ar gyfer Strategaeth Flynyddol yr Awdurdod ar gyfer Rheoli'r Trysorlys a set ddata o Ddangosyddion Darbodus sy'n berthnasol i Reoli'r Trysorlys a Chyllid Cyfalaf. Nodwyd bod yr adroddiad yn croesgyfeirio at yr adroddiad gan y Dirprwy Brif Weithredwr ar Gyllidebau Cyllid a Chyfalaf ["adroddiad y gyllideb"] a oedd hefyd yn cael ei ystyried yng nghyfarfod y Cyngor. Roedd yr adroddiad hefyd yn gofyn am gymeradwyo'r polisi Darpariaeth Isafswm Refeniw (MRP) i'w fabwysiadu gan yr Awdurdod ar gyfer 2024/2025. Rhoddodd yr Aelod Cabinet dros Gyllid a Pherfformiad grynodedb o'r adroddiad.

Ar ôl ystyried yr adroddiad, cafodd ei gynnig a'i eilio bod yr argymhellion yn cael ei gymeradwyo. Trwy gyfrwng Microsoft Forms a chadarnhad llafar (ac wrth nodi bod 51 o Blaid, 1 yn Erbyn a 7 yn Ymatal) cytunwyd ar hyn gan y mwyafrif a oedd yn bresennol.

PENDERFYNWYD:-

1. Bod y Strategaeth Flynyddol ar gyfer Rheoli'r Trysorlys 2024/25 yn cael ei chymeradwyo.
2. Bod y strategaeth yn cael ei hadolygu'n chwarterol o fewn adroddiadau monitro Rheoli'r Trysorlys a gyflwynir i'r Pwyllgor Craffu Corfforaethol ac Adfywio ac fe gyfeirir unrhyw newidiadau a argymhellir at y Cabinet, yn y lle cyntaf, ac at y Cyngor am benderfyniad. Bydd yr Awdurdod hefyd yn paratoi adroddiadau chwarterol ar weithgareddau Rheoli'r Trysorlys.
3. Bod y Dangosyddion Darbodus ar gyfer Rheoli'r Trysorlys yn cael eu cymeradwyo yn unol ag Atodiad 5.
4. Bod y Dangosyddion Darbodus ar gyfer Ariannu Cyfalaf yn cael eu cymeradwyo yn unol ag Atodiadau 6 a 7.
5. Bod y polisi MRP fel y nodir yn Atodiad 8 yn cael ei fabwysiadu.
6. Bod parhad strategaeth fuddsoddi 2023/24 a'r benthyca i sefydliadau ariannol a Chorfforaethau yn unol â'r meini prawf sgôr credyd gofynnol a ddatgelir yn yr adroddiad hwn, yn cael ei gymeradwyo.
7. Bod yr Awdurdod yn parhau i fabwysiadu'r raddfa gradd buddsoddi fel maen prawf isafswm sgôr credyd i asesu gwerth credyd gwrthbartion addas wrth osod buddsoddiadau.
8. Bod y terfynau hyd ariannol a buddsoddi fel y nodir yn Atodiad 3 yr adroddiad, yn cael eu mabwysiadu.

10. CYNIGION Y GYLLIDEB AR GYFER 2024/25

Rhoddwyd ystyriaeth i'r adroddiad a ystyriwyd gan y Cabinet yn ei gyfarfod ar 27 Chwefror 2024 ac a oedd yn gofyn am gymeradwyaeth y Cyngor o gynigion y gyllideb ar gyfer 2024/25.

Cyflwynodd yr Aelod Cabinet dros Gyllid a Pherfformiad yr adroddiad a oedd yn rhoi manylion am ystod o bwysau cost a gwasanaeth a oedd yn gofyn am gyllid, arbedion parhaol a dros dro arfaethedig, y defnydd untro arfaethedig o gronfeydd wrth gefn, a

chynnydd arfaethedig o 6.9% yn Nhreth y Cyngor i alluogi'r Awdurdod i bennu cyllideb gytbwys ar gyfer blwyddyn ariannol 2024/25.

Roedd yr Aelod Cabinet dros Gyllid a Pherfformiad yn gwerthfawrogi nad oedd unrhyw un eisiau gweld cynnydd yn Nhreth y Cyngor, ond nododd y byddai angen i'r Cyngor ystyried toriadau mwy annymunol ac amhoblogaidd i wasanaethau, heb y cynnydd hwn. Adroddwyd y byddai cynnydd o 6.9% yn codi praesept Band D Cyngor Bwrdeistref Sirol Caerffili o £1,353.01 i £1,446.37, sy'n gynydd blynyddol o £93.36, neu £1.80 yr wythnos. Rhoddwyd gwybod i'r Aelodau fod y cynnydd arfaethedig yn debygol o olygu mai Cyngor Bwrdeistref Sirol Caerffili fydd â'r Dreth y Cyngor isaf yng Nghymru ar gyfer y flwyddyn ariannol sydd i ddod.

Rhoddwyd gwybod i'r Aelodau fod y defnydd strategol o gronfeydd wrth gefn hefyd yn elfen bwysig yn yr ystyriaethau ar gyfer cyllideb 2024/25. Amlygwyd bod y dyraniad arfaethedig o £10.6m o gronfeydd wrth gefn, fel mesur untro, wedi bod yn bosibl diolch i reolaeth ddarvoudus o gronfeydd wrth gefn corfforaethol dros y blynyddoedd diwethaf. O ganlyniad, byddai hyn yn darparu'r lle anadlu y mae mawr ei angen i ddatblygu cynigion arbedion o dan Mwstro Tîm Caerffili, ond pwysleisiwyd nad yw defnyddio cronfeydd wrth gefn yn y tymor canolig i'r tymor hwy yn opsiwn cynaliadwy.

Amlygodd yr Aelod Cabinet dros Gyllid a Pherfformiad fod y Cyngor yn wynebu heriau ariannol sylweddol dros y blynyddoedd nesaf. Gofynnwyd i'r Aelodau nodi, yn y flwyddyn ariannol nesaf yn unig, fod gan y Cyngor ofyniad cynilo o fwy na £41m, ac oherwydd natur dros dro rhai o'r mesurau a gynigiwyd i gydbwysu cyllideb 2024/25, y byddai gofyniad arbedion gweddilliol o £45m o hyd dros y cyfnod dwy flynedd ganlynol. Eglurwyd y bydd angen gwneud penderfyniadau anodd iawn a bod yn rhaid parhau i ganolbwyntio ar edrych ar sut mae'r Cyngor yn darparu gwasanaethau cynaliadwy sy'n diwallu anghenion cymunedau yn awr ac yn y dyfodol mewn amgylchedd ariannol hynod heriol. Rhoddwyd gwybod i'r Aelodau am y gwaith sy'n cael ei wneud ar bob lefel ar draws y sefydliad, i ail-lunio ac ad-drefnu'r ffordd y mae'r Cyngor yn gwneud pethau fel rhan o'i raglen drawsnewid uchelgeisiol, Mwstro Tîm Caerffili, ac y bydd y gwaith hwn yn dod hyd yn oed yn fwy hanfodol dros y blynyddoedd nesaf.

Diolchodd yr Aelod Cabinet dros Gyllid a Pherfformiad i bawb sydd wedi bod yn rhan o baratoi'r adroddiad ac am eu holl waith caled. Diolchodd hefyd i staff ar bob lefel ar draws y sefydliad sy'n rhan o Mwstro Tîm Caerffili, am wneud eu rhan i wneud gwelliannau a sicrhau arbedion effeithlonrwydd i drigolion y Fwrdeistref Sirol. Eiliodd y Dirprwy Arweinydd a'r Aelod Cabinet dros Ffyniant, Adfywio a Newid yn yr Hinsawdd y cynigion cyllideb yn ffurfiol ar gyfer 2024/25.

Gofynnwyd i'r Aelod Cabinet dros Wastraff, Hamdden a Mannau Gwyrdd roi diweddariad am y cynnydd arfaethedig mewn ffioedd ar gyfer defnyddio caeau chwaraeon awyr agored. Adroddwyd bod y Cabinet wedi gwrandao ar y pryderon a godwyd gan yr Aelodau ac adborth o'r ymgynghoriad cyhoeddus, ac wrth gofio'r costau, wedi cynnig cynnydd haenog mewn ffioedd ar gyfer defnyddio caeau chwaraeon awyr agored (rygbi, pêl-droed a chriced). Bydd gan grwpiau oedran hŷn gyfran uwch o'r cynnydd na'r grwpiau oedran iau, ieuentid ac oedran bach. Nododd yr Aelod Cabinet dros Wastraff, Hamdden a Mannau Gwyrdd na fyddai cost lawn defnyddio'r cyfleusterau hyn hyd yn oed gyda chynnydd o 20% yn cael ei dalu.

Cyfeiriwyd at nifer y Cynghorau sy'n cyhoeddi Hysbysiadau Adran 114, a oedd i bob pwrpas yn golygu bod y Cynghorau hyn yn rhoi hysbysiad nad oeddent yn gallu cyflawni cyllideb gytbwys. Mewn ymateb i ymholiad gan Aelod, eglurodd Arweinydd y Cyngor beth fyddai'n ei olygu i breswylwyr, staff ac Aelodau Etholedig pe bai Hysbysiad Adran 114 yn cael ei gyhoeddi ar gyfer Caerffili, gan dynnu sylw at lai o wasanaethau, colli swyddi a phenderfyniadau'r Cyngor yn cael eu gwneud gan gomisiynwyr a benodir gan y llywodraeth. Rhoddwyd sicrwydd gan Arweinydd y Cyngor, oherwydd y rheolaeth ddarvoudus o gyllid y

Cyngor dros nifer o flynyddoedd, nad yw Caerffili mewn sefyllfa lle mae Hysbysiad Adran 114 yn cael ei ystyried.

Wrth ymateb i ymholiad, dywedodd Pennaeth y Gwasanaethau Ariannol a Swyddog A151 wrth yr Aelodau mai'r cynigion arbedion a gefnogodd trigolion yn arbennig fel rhan o'r ymatebion a gafwyd i'r broses ymgynghori ar y gyllideb oedd y bwriad i gau Coffi Vista, ac yna rhoi'r Tŷ Weindio o'r neilltu. Gofynnwyd i'r Aelodau nodi'r ddolen i'r trosolwg llawn o'r sylwadau a dderbyniwyd drwy'r ymgynghoriad, a gynhwysir yn adran 10 yr adroddiad.

Mewn ymateb i ymholiad gan Aelod, tynnodd y Pennaeth Gwasanaethau Ariannol a Swyddog A151 sylw at effaith sylweddol dibyniaeth barhaus ar gronfeydd wrth gefn i gydbwysu cyllidebau, a darparodd enghreifftiau o brosiectau cyfalaf wedi'u clustnodi a allai gael eu canslo pe bai'r Cyngor yn parhau i leihau ei gronfeydd wrth gefn.

Yn ystod y drafodaeth, codwyd nifer o bryderon mewn perthynas â'r ymgynghoriad cyhoeddus ar y cynigion arbedion drafft ar gyfer 2024/25 a dadleuodd rhai Aelodau nad oedd y Cyngor wedi gwrandao ar farn trigolion. Gofynnodd Aelod a oedd unrhyw newidiadau wedi'u gwneud i'r cynigion arbedion drafft i gefnogi sylwadau a barn preswylwyr. Mewn ymateb, clywodd yr Aelodau sut y mae barn trigolion wedi cael ei hystyried, a bod penderfyniadau anodd yn cael eu gwneud yn seiliedig ar yr arian sydd ar gael i'r Cyngor bryd hynny. Fel enghraifft o newid, amlygwyd y cynnig am gynnydd haenog mewn ffioedd ar gyfer defnyddio caeau chwaraeon awyr agored. Amlygwyd y cyfle i'r Aelodau gymryd rhan yn y broses o osod cyllideb a'r cyfle i gyflwyno cynigion cyllideb amgen.

Gofynnwyd am ddiweddariad ar y cynnig arbedion i gynnwys targed cynilo cychwynnol ar gyfer 2024/25 yn ystod y flwyddyn o £5m ar gyfer Rhaglen Trawsnewid Mwstro Tîm Caerffili. Dywedodd y Pennaeth Gwasanaethau Ariannol a Swyddog A151 wrth yr Aelodau fod nifer o brosiectau "ar waith" ar hyn o bryd, sy'n cael eu blaenoriaethu ar gyfer cyflawni ac mae disgwyl y bydd arbedion sylweddol pellach yn cael eu cyflawni yn y blynyddoedd ariannol dilynol unwaith y bydd prosiectau pellach wedi'u blaenoriaethu ar gyfer datblygu a chyflawni. Os eir y tu hwnt i'r targed o £5m, yna bydd yr arbedion yn cael eu cymryd fel 'arbedion ymlaen llaw' i helpu i wrthbwysu'r bwch cyllido a ragwelir o £45.213m ar gyfer 2025/26 a 2026/27. Rhoddwyd gwybod i'r Aelodau y bydd prosiectau pellach yn cael eu cyflwyno i'r Aelodau eu hystyried yn ystod y flwyddyn ariannol nesaf, gan y bydd angen gwneud penderfyniadau i fynd i'r afael â'r bwch ariannu sylweddol y mae'r Cyngor yn ei wynebu.

Cyfeiriwyd at y Gronfa Gyffredinol a'r balans a ragwelir o £14.126m. Mewn ymateb i ymholiad gan Aelod, eglurodd y Pennaeth Gwasanaethau Ariannol a Swyddog Adran 151 fod amcanestyniad y Gronfa Gyffredinol yn adlewyrchu'r holl danwariant a ragwelir yn y flwyddyn ariannol bresennol a'r argymhelliad yw trosglwyddo 100% o'r tanwariant net a ragwelir i'r Gronfa Gyffredinol.

Cododd Aelod bryderon ynghylch effaith cynigion drafft y gyllideb ar deuluoedd sy'n gweithio, yn enwedig mewn perthynas â'r cynnydd arfaethedig yn Nhreth y Cyngor, y cynnydd arfaethedig mewn ffioedd ar gyfer defnyddio caeau chwaraeon awyr agored a'r cynnydd arfaethedig mewn taliadau am brydau ysgol mewn ysgolion uwchradd. Teimlwyd y dylai'r Cyngor fod yn helpu teuluoedd sy'n gweithio i leddfu'r materion sy'n eu hwynebu gydag economi sy'n ei chael hi'n anodd. Rhannodd Arweinydd y Cyngor y pryderon a godwyd a nodwyd y bydd trigolion Bwrdeistref Sirol Caerffili yn talu'r cyfraddau isaf o Dreth y Cyngor yng Nghymru.

Mynegodd Aelod ei siom yn yr ymateb i'r ymgynghoriad ar y cynnydd arfaethedig o 6.9% yn Nhreth y Cyngor ar gyfer 2024/25. Roedd yr Aelod yn derbyn bod angen cynnydd yn Nhreth y Cyngor a gofynnodd i'r Pennaeth Gwasanaethau Ariannol a Swyddog A151 a fyddai cynnydd o 5% yn Nhreth y Cyngor yn rhesymol ac na fyddai'n arwain at gyflwyno Hysbysiad Adran 114. Mewn ymateb, rhoddwyd gwybod i'r Aelodau y byddai gofyn gwneud arbedion ychwanegol o £659,000 ar gyfer pob gostyngiad o 1% yn lefel y cynnydd arfaethedig yn Nhreth y Cyngor, ac ailadroddwyd nad yw defnyddio cronfeydd wrth gefn i fynd i'r afael â hyn

yn ddull cynaliadwy nac yn briodol. Fodd bynnag, cynigiodd yr Aelod y dylid cynyddu Treth y Cyngor 5% ar gyfer blwyddyn ariannol 2024/25 a'r gweddill yn cael ei gymryd o gronfeydd wrth gefn, ond ni chefnogwyd hyn.

Gofynnwyd am ragor o wybodaeth ynghylch teneuo cyllid Llywodraeth Cymru ar gyfer Cynlluniau Menter Cyllid Preifat (PFI). Dywedodd y Pennaeth Gwasanaethau Ariannol a Swyddog A151 wrth yr Aelodau fod y teneuo wedi'i gynnwys yn y gyllideb i adlewyrchu gostyngiadau yng nghyfraniadau Llywodraeth Cymru i'r costau PFI. Atgoffwyd aelodau hefyd o derfynu gwirfoddol arfaethedig contract PFI Ysgolion Cyngor Bwrdeistref Sirol Caerffili.

Mewn ymateb i gwestiwn gan Aelod, amlinellodd y Cyfarwyddwr Corfforaethol Dros Dro ar gyfer Gwasanaethau Cymdeithasol fwy o bwysau a wynebir gan y Gwasanaethau Cymdeithasol, o ran cymhlethdod a'r galw ar draws Gwasanaethau i Oedolion a Phlant.

Wrth ymateb i gwestiwn ynglŷn â chyllid Llywodraeth Cymru, eglurodd y Pennaeth Gwasanaethau Ariannol a Swyddog Adran 151 fod cymorth Llywodraeth Cymru ar gyfartaledd i gyllidebau awdurdodau lleol oddeutu 80%, gyda 20% yn cael ei godi drwy Dreth y Cyngor.

Cyfeiriodd Aelod at y cynnig i gau adeilad Coffi Vista a nodwyd yn 7.9 o'r adroddiad. Cyfeiriodd yr Aelod hefyd at y newidiadau i'r Setliad Ariannol Dros Dro i Lywodraeth Leol ar gyfer 2024/25 a nodwyd yn 5.3 o'r adroddiad, a arweiniodd at gynnydd mewn cyllid. Yn ystod y drafodaeth, cafodd gwelliant ei gynnig a'i eilio bod £78,000 yn cael ei ddefnyddio o'r dyraniad ychwanegol o gyllid gan Lywodraeth Cymru i ariannu Coffi Vista a'r cyfleusterau cyhoeddus am 12 mis arall.

Cafwyd trafodaeth ar y gwelliant. Pwysleisiwyd, er bod y cynigion yn yr adroddiad yn cyflwyno sefyllfa ariannol gytbwys ar gyfer 2024/25, mae elfen sylweddol o hyn yn cael ei chyflawni drwy fesurau dros dro unwaith ac am byth. Cynllun cynaliadwy hirdymor fyddai caniatáu i'r gweithrediad drosglwyddo i'r sector preifat a fyddai'n lleihau'r baich cymhorthdal ac yn hybu incwm trwy unrhyw rent y cytunwyd arno gyda gweithredwr preifat.

Gwnaed nifer o sylwadau i gefnogi'r gwelliant. Dywedodd Aelod y byddai'r gwelliant yn caniatáu amser rhesymol i grŵp gael ei sefydlu i edrych ar drosglwyddo asedau, yn hytrach na chaniatáu i'r gweithrediad drosglwyddo i'r sector preifat a byddai hefyd yn cefnogi'r gymuned sy'n defnyddio'r cyfleusterau ar hyn o bryd. Dadleuodd rhai Aelodau nad siop goffi yn unig yw Coffi Vista, ond mae'n gwasanaethu fel canolfan groeso a chanolfan gymunedol i dref Caerffili.

Codwyd pryderon ynghylch Y Galeri, sydd ar lawr gwaelod adeilad Coffi Vista. Mewn ymateb, eglurodd y Pennaeth Adfywio a Chynllunio na fyddai'r cynigion cyllideb drafft yn effeithio ar Y Galeri. Codwyd nifer o bryderon ynghylch y cynnig i gau'r cyfleusterau toiledau cyhoeddus yn adeilad Coffi Vista. Mewn ymateb, eglurwyd bod Cadw yn ymwybodol o'r cynigion ac y bydd yn diwygio ei wefan i gyfeirio at y toiledau cyhoeddus newydd, a fydd wedi'u lleoli yn Ffos Caerffili.

Trwy gyfrwng Microsoft Forms a chadarnhad llafar (ac wrth nodi bod 22 o Blaid, 31 yn Erbyn, a 4 yn Ymatal) cyhoeddwyd bod y gwelliant wedi methu gan y mwyafrif oedd yn bresennol.

Gweithdrefn 9(1)

Âr Cyngor wedi eistedd am gyfanswm o 3 awr, ac yn unol â rheol gweithdrefn 9(1), trwy Microsoft Forms a chadarnhad llafar, cymeradwywyd gan y mwyafrif oedd yn bresennol bod y Rheolau Sefydlog yn cael eu hatal a bod y cyfarfod yn cael ei ymestyn am gyfnod o ddim hwy nag awr er mwyn dod â busnes i ben. Ni fyddai'r cyfarfod yn parhau y tu hwnt i 9:00pm.

Ar ôl cynnig ac eilio eisoes bod yr argymhellion yn yr adroddiad yn cael eu cymeradwyo, cynhaliwyd pleidlais wedyn ar y cynnig sylweddol. Trwy gyfrwng Microsoft Forms a

chadarnhad llafar (ac wrth nodi bod 38 o Blaid, 19 yn Erbyn, a 2 yn Ymatal) cytunwyd ar hyn gan y mwyafrif a oedd yn bresennol.

PENDERFYNWYD:-

1. Cymeradwyo cynigion y gyllideb refeniw ar gyfer 2024/25 o £449.190m fel y manylir drwy gydol yr adroddiad a'u crynhoi yn Atodiad 1.
2. Cymeradwyo'r cynnydd arfaethedig mewn taliadau am brydau ysgol mewn ysgolion uwchradd, Meals Direct a Chaffi'r Su ynghyd â'r cynnydd arfaethedig yn y ffi am brofion MOT fel y manylir ym mharagraff 5.5.5.
3. Cytuno bod 100% o'r tanwariant net a ragwelir ar gyllideb refeniw 2023/24 y Cyngor yn cael ei drosglwyddo i falansau'r Gronfa Gyffredinol fel yr amlinellir ym mharagraff 5.7.3.
4. Nodi'r symudiadau ar y Gronfa Gyffredinol yn Atodiad 4 a'r balans a ragwelir ar 31 Mawrth 2024 o £14.126m.
5. Cymeradwyo'r Rhaglen Gyfalaf arfaethedig ar gyfer y cyfnod 2024/25 i 2026/27 fel y nodir yn Atodiad 5.
6. Cymeradwyo'r cynnig i gynyddu Treth y Cyngor 6.9% ar gyfer blwyddyn ariannol 2024/25 i sicrhau bod cyllideb gytbwys yn cael ei chyflawni (Band D Treth y Cyngor yn cael ei osod ar £1,446.37).
7. Nodi'r gofyniad arbedion dangosol posibl o £45.213m ar gyfer y cyfnod o ddwy flynedd 2025/26 i 2026/27.

11. PENDERFYNIAD AR OSOD TRETH Y CYNGOR 2024/25

Rhoddwyd ystyriaeth i'r adroddiad a oedd yn gofyn i'r Cyngor gymeradwyo'r Penderfyniadau ar Dreth y Cyngor ar gyfer blwyddyn ariannol 2024/25.

Wrth ymateb i ymholiad, eglurodd y Pennaeth Gwasanaethau Ariannol a Swyddog Adran 151 ei bod yn ofyniad statudol i'r penderfyniadau gael eu cyflwyno i'r Cyngor i'w hystyried ynghyd â'r argymhelliad eu bod yn cael eu cymeradwyo.

Ar ôl ystyried yr adroddiad, cafodd ei gynnis a'i eilio bod yr argymhelliad yn cael ei gymeradwyo. Trwy gyfrwng Microsoft Forms a chadarnhad llafar (ac wrth nodi bod 44 o Blaid, 5 yn Erbyn, a 4 yn Ymatal) cytunwyd ar hyn gan y mwyafrif a oedd yn bresennol.

PENDERFYNWYD:-

1. Nodi bod y Cabinet, yn ei gyfarfod ar 13 Rhagfyr 2023, wedi cyfrifo'r symiau canlynol ar gyfer y flwyddyn 2024/2025 yn unol â rheoliadau a wnaed o dan Adran 33(5) o Ddeddf Cyllid Llywodraeth Leol 1992 a'r pwerau a roddwyd o dan Reoliadau Awdurdodau Lleol (Trefniadau Gweithredol) (Swyddogaethau a Chyfrifoldebau) (Cymru) 2007 (fel y'u diwygiwyd).

(a) **61,292.66** Sef y swm a gyfrifwyd gan y Cabinet, yn unol â Rheoliad (3) o Reoliadau Awdurdodau Lleol (Cyfrifo Sylfaen y Dreth Gyngor) (Cymru) 1995 (fel y'u diwygiwyd), fel sylfaen y dreth gyngor ar gyfer y flwyddyn.

(b) Rhan o Ardal y Cyngor:

Sylfaen Dreth fesul Cyngor Cymuned	<u>Sylfaen Dreth – Nifer Eiddo sy'n Cyfateb â Band D</u>
Argoed	888.77
Bargod	3,700.00
Bedwas, Tretomos a Machen	4,025.28
Caerffili	6,289.37
Coed Duon	2,936.94
Cwm Aber	2,004.04
Cwm Darran	712.73
Draethen, Tŷ'n-y-coed-cae a Rhydri	620.58
Dwyrain Rhisga	2,043.78

Sylfaen Dreth fesul Cyngor Cymuned	<u>Sylfaen Dreth – Nifer Eiddo sy'n Cyfateb â Band D</u>
Y Fan	1,626.36
Gelligaer	6,321.20
Gorllewin Rhisga	1,820.30
Llanbradach a Phwll-y-pant	1,511.85
Maes-y-cwmwr	993.07
Nelson	1,593.91
Pen-yr-heol, Trecenydd ac Eneu'r-glyn	4,556.25
Rhymni	2,560.78
Tredegar Newydd	1,339.06
Gweddill	15,748.39
Cyfanswm	<u>61,292.66</u>

sef y symiau a gyfrifwyd gan y Cabinet, yn unol â rheoliad 6 o'r Rheoliadau, fel symiau ei sylfaen treth y cyngor ar gyfer y flwyddyn ar gyfer anheddau yn y rhannau hynny o'i ardal y mae un neu fwy o eitemau arbennig yn perthyn iddynt.

2. bod y symiau canlynol bellach yn cael eu cyfrifo gan y Cyngor ar gyfer y flwyddyn 2024/2025 yn unol ag Adrannau 32 i 36 o Ddeddf Llywodraeth Leol a Chyllid 1992:-

- (a) £449,189,679 sef cyfanswm y symiau y mae'r Cyngor yn eu hamcangyfrif ar gyfer yr eitemau a nodir yn Adran 32(2)(a) i (d) o'r Ddeddf;
- (b) £11,674,000 sef cyfanswm y symiau y mae'r Cyngor yn eu hamcangyfrif ar gyfer yr eitemau a nodir yn Adran 32(3) (a), (aa) ac (c) o'r Ddeddf;

- (c) £438,564,455 sef y swm y mae'r cyfanswm yn (2)(a) uchod yn fwy na'r cyfanswm yn (2)(b) uchod, a gyfrifwyd gan y Cyngor, yn unol ag Adran 32(4) o'r Ddeddf, fel ei ofyniad cyllidebol ar gyfer y flwyddyn;
- (d) £348,863,814 sef cyfanswm y symiau y mae'r Cyngor yn amcangyfrif y bydd yn daladwy am y flwyddyn i mewn i gronfa'r cyngor mewn perthynas â chyfraddau annomestig wedi'u hailddosbarthu, grant cynnal refeniw, cynllun gostyngiadau treth y cyngor awdurdod neu grant ychwanegol;
- (e) £1,463.48 sef y swm yn (2)(c) uchod, heb y swm yn (2)(d) uchod, i gyd yn cael ei rannu â'r swm yn (1)(a) uchod, a gyfrifwyd gan y Cyngor, yn unol ag Adran 33(1) o'r Ddeddf, fel swm sylfaenol ei dreth y cyngor am y flwyddyn;
- (f) £1,048,776 sef cyfanswm yr holl eitemau arbennig y cyfeirir atynt yn adran 34(1) o'r Ddeddf;
- (g) £1,446.37 sef y swm yn (2)(e) uchod, heb y canlyniad a roddwyd drwy rannu'r swm yn (2)(f) uchod â'r swm yn (1)(a) uchod, a gyfrifwyd gan y Cyngor, yn unol ag Adran 34(2) o'r Ddeddf, fel swm sylfaenol ei dreth y cyngor am y flwyddyn ar gyfer anheddau yn y rhannau hynny o'i ardal lle nad oes unrhyw eitem arbennig yn ymwneud â hwy;

(h) Rhan o Ardal y Cyngor

Cyfanswm Tâl Band D i'r
Fwrdeistref Sirol a Chyngorau
Cymuned

	Praesept Lleol	Ardoll y Fwrdeistref Sirol	
	£	£	£
Argoed	16.50	1,446.37	1,462.87
Bargod	52.31	1,446.37	1,498.68
Bedwas, Tretomos a Machen	29.10	1,446.37	1,475.47
Caerffili	15.50	1,446.37	1,461.87
Coed Duon	27.50	1,446.37	1,473.87
Cwm Aber	19.96	1,446.37	1,466.33
Cwm Darran	18.21	1,446.37	1,464.58
Draethen, Tŷ'n-y-coed-cae a Rhydri	33.84	1,446.37	1,480.21
Dwyrain Rhisga	17.00	1,446.37	1,463.37
Y Fan	19.06	1,446.37	1,465.43
Gelligaer	21.55	1,446.37	1,467.92
Gorllewin Rhisga	34.88	1,446.37	1,481.25
Llanbradach a Phwll-y-pant	24.05	1,446.37	1,470.42
Maes-y-cwmwr	18.43	1,446.37	1,464.80
Nelson	18.24	1,446.37	1,464.61
Pen-yr-heol, Trecenydd ac Eneu'r-glyn	14.94	1,446.37	1,461.31
Rhymni	14.45	1,446.37	1,460.82
Tredegar Newydd	12.64	1,446.37	1,459.01
Gweddill	0.00	1,446.37	1,446.37

sef y symiau a roddir drwy ychwanegu at y swm yn (2)(g) uchod symiau'r eitem arbennig neu'r eitemau sy'n ymwneud ag anheddau yn y rhannau hynny o ardal y Cyngor y soniwyd amdanynt uchod wedi'u rhannu ym mhob achos gan y swm yn (1)(b), a gyfrifwyd gan y Cyngor, yn unol ag Adran 34(3) o'r Ddeddf, fel y symiau sylfaenol, o'i dreth y cyngor am y flwyddyn ar gyfer anheddau yn y rhannau hynny o'i ardal y mae un neu fwy o eitemau arbennig yn perthyn iddynt;

(i)

Bandiau Priso	A	B	C	D	E	F	G	H	I
	6.00	7.00	8.00	9.00	11.00	13.00	15.00	18.00	21.00
<u>Bandiau Priso</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Cyngor Bwrdeistref Sirol	964.25	1,124.95	1,285.66	1,446.37	1,767.79	2,089.20	2,410.62	2,892.74	3,374.86
<u>Cynghorau Cymuned</u>									
Argoed	11.00	12.83	14.67	16.50	20.17	23.83	27.50	33.00	38.50
Bargod	34.87	40.69	46.50	52.31	63.93	75.56	87.18	104.62	122.06
Bedwas, Tretomos a Machen	19.40	22.63	25.87	29.10	35.57	42.03	48.50	58.20	67.90
Caerffili	10.33	12.06	13.78	15.50	18.94	22.39	25.83	31.00	36.17
Coed Duon	18.33	21.39	24.44	27.50	33.61	39.72	45.83	55.00	64.17
Cwmaber	13.31	15.52	17.74	19.96	24.40	28.83	33.27	39.92	46.57
CwmDarran	12.14	14.16	16.19	18.21	22.26	26.30	30.35	36.42	42.49
Draethen, Tŷ'n-y-coed-cae a Rhydri	22.56	26.32	30.08	33.84	41.36	48.88	56.40	67.68	78.96
Dwyrain Rhisga	11.33	13.22	15.11	17.00	20.78	24.56	28.33	34.00	39.67
Y Fan	12.71	14.82	16.94	19.06	23.30	27.53	31.77	38.12	44.47
Gelligaer	14.37	16.76	19.16	21.55	26.34	31.13	35.92	43.10	50.28
Gorllewin Rhisga	23.25	27.13	31.00	34.88	42.63	50.38	58.13	69.76	81.39
Llanbradach a Phwll-y-pant	16.03	18.71	21.38	24.05	29.39	34.74	40.08	48.10	56.12
Maes-y-cwmwr	12.29	14.33	16.38	18.43	22.53	26.62	30.72	36.86	43.00
Nelson	12.16	14.19	16.21	18.24	22.29	26.35	30.40	36.48	42.56
Pen-yr-heol, Treceynydd ac Eneu'r-glyn	9.96	11.62	13.28	14.94	18.26	21.58	24.90	29.88	34.86
Rhymni	9.63	11.24	12.84	14.45	17.66	20.87	24.08	28.90	33.72
Tredegar Newydd	8.43	9.83	11.24	12.64	15.45	18.26	21.07	25.28	29.49
Gweddill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>Bandiau Priso</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
<u>Cyfanswm ar gyfer Ardaloedd Cynghorau Cymuned</u>									
Argoed	975.25	1,137.78	1,300.33	1,462.87	1,787.96	2,113.03	2,438.12	2,925.74	3,413.36
Bargod	999.12	1,165.64	1,332.16	1,498.68	1,831.72	2,164.76	2,497.80	2,997.36	3,496.92
Bedwas, Tretomos a Machen	983.65	1,147.58	1,311.53	1,475.47	1,803.36	2,131.23	2,459.12	2,950.94	3,442.76
Caerffili	974.58	1,137.01	1,299.44	1,461.87	1,786.73	2,111.59	2,436.45	2,923.74	3,411.03
Coed Duon	982.58	1,146.34	1,310.10	1,473.87	1,801.40	2,128.92	2,456.45	2,947.74	3,439.03
Cwmaber	977.56	1,140.47	1,303.40	1,466.33	1,792.19	2,118.03	2,443.89	2,932.66	3,421.43
CwmDarran	976.39	1,139.11	1,301.85	1,464.58	1,790.05	2,115.50	2,440.97	2,929.16	3,417.35
Draethen, Tŷ'n-y-coed-cae a Rhydri	986.81	1,151.27	1,315.74	1,480.21	1,809.15	2,138.08	2,467.02	2,960.42	3,453.82
Dwyrain Rhisga	975.58	1,138.17	1,300.77	1,463.37	1,788.57	2,113.76	2,438.95	2,926.74	3,414.53
Y Fan	976.96	1,139.77	1,302.60	1,465.43	1,791.09	2,116.73	2,442.39	2,930.86	3,419.33
Gelligaer	978.62	1,141.71	1,304.82	1,467.92	1,794.13	2,120.33	2,446.54	2,935.84	3,425.14
Gorllewin Rhisga	987.50	1,152.08	1,316.66	1,481.25	1,810.42	2,139.58	2,468.75	2,962.50	3,456.25
Llanbradach a Phwll-y-pant	980.28	1,143.66	1,307.04	1,470.42	1,797.18	2,123.94	2,450.70	2,940.84	3,430.98
Maes-y-cwmwr	976.54	1,139.28	1,302.04	1,464.80	1,790.32	2,115.82	2,441.34	2,929.60	3,417.86
Nelson	976.41	1,139.14	1,301.87	1,464.61	1,790.08	2,115.55	2,441.02	2,929.22	3,417.42
Pen-yr-heol, Treceynydd ac Eneu'r-glyn	974.21	1,136.57	1,298.94	1,461.31	1,786.05	2,110.78	2,435.52	2,922.62	3,409.72
Rhymni	973.88	1,136.19	1,298.50	1,460.82	1,785.45	2,110.07	2,434.70	2,921.64	3,408.58
Tredegar Newydd	972.68	1,134.78	1,296.90	1,459.01	1,783.24	2,107.46	2,431.69	2,918.02	3,404.35
Gweddill	964.25	1,124.95	1,285.66	1,446.37	1,767.79	2,089.20	2,410.62	2,892.74	3,374.86

sef y symiau a roddir drwy luosi'r symiau ar (2)(g) a (2)(h) uchod â'r rhif sydd, yn y gyfran a nodir yn Adran 5(1) o'r Ddeddf, yn gymwys i anheddau a restrir mewn band prisio penodol wedi'i rannu â'r nifer sydd yn y gyfran honno yn gymwys i anheddau a restrir mewn band prisio penodol D, a gyfrifwyd gan y Cyngor, yn unol ag Adran 36(1) o'r Ddeddf, fel y symiau sydd i'w hystyried ar gyfer y flwyddyn mewn perthynas â chategorïau o anheddau a restrir mewn gwahanol fandiau prisio.

3. Nodi bod yr awdurdod praeseptio mawr ar gyfer y flwyddyn 2024/2025 wedi nodi'r symiau canlynol mewn praeseptau a roddwyd i'r Cyngor, yn unol ag Adran 40 o Ddeddf Cyllid Llywodraeth Leol 1992, ar gyfer pob un o'r categorïau o anheddau a ddangosir isod:-

Bandiau Prisio	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Awdurdod Praeseptio									
Comisiynydd Heddlu a Throseddu Gwent	233.01	271.85	310.68	349.52	427.19	504.86	582.53	699.04	815.55

4. Ar ôl cyfrifo'r cyfanrediad ym mhob achos o'r symiau yn (2)(i) a (3) uchod, mae'r Cyngor, yn unol ag Adran 30(2) o Ddeddf Cyllid Llywodraeth Leol 1992, drwy hyn yn gosod y symiau canlynol o Dreth y Cyngor ar gyfer y flwyddyn 2024/2025 ar gyfer pob un o'r categorïau o anheddau a ddangosir isod:-

Bandiau Prisio	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Argoed	1,208.26	1,409.63	1,611.01	1,812.39	2,215.15	2,617.89	3,020.65	3,624.78	4,228.91
Bargod	1,232.13	1,437.49	1,642.84	1,848.20	2,258.91	2,669.62	3,080.33	3,696.40	4,312.47
Bedwas, Tretomos a Machen	1,216.66	1,419.43	1,622.21	1,824.99	2,230.55	2,636.09	3,041.65	3,649.98	4,258.31
Caerffili	1,207.59	1,408.86	1,610.12	1,811.39	2,213.92	2,616.45	3,018.98	3,622.78	4,226.58
Coed Duon	1,215.59	1,418.19	1,620.78	1,823.39	2,228.59	2,633.78	3,038.98	3,646.78	4,254.58
CwmAber	1,210.57	1,412.32	1,614.08	1,815.85	2,219.38	2,622.89	3,026.42	3,631.70	4,236.98
CwmDarran	1,209.40	1,410.96	1,612.53	1,814.10	2,217.24	2,620.36	3,023.50	3,628.20	4,232.90
Draethen, Tŷ'n-y-coed-cae a Rhydri	1,219.82	1,423.12	1,626.42	1,829.73	2,236.24	2,642.94	3,049.55	3,659.46	4,269.37
Dwyrain Rhisga	1,208.59	1,410.02	1,611.45	1,812.89	2,215.76	2,618.62	3,021.48	3,625.78	4,230.08
Y Fan	1,209.97	1,411.62	1,613.28	1,814.95	2,218.28	2,621.59	3,024.92	3,629.90	4,234.88
Gelligaer	1,211.63	1,413.56	1,615.50	1,817.44	2,221.32	2,625.19	3,029.07	3,634.88	4,240.69
Gorllewin Rhisga	1,220.51	1,423.93	1,627.34	1,830.77	2,237.61	2,644.44	3,051.28	3,661.54	4,271.80
Llanbradach a Phwll-y-pant	1,213.29	1,415.51	1,617.72	1,819.94	2,224.37	2,628.80	3,033.23	3,639.88	4,246.53
Maes-y-cwmwr	1,209.55	1,411.13	1,612.72	1,814.32	2,217.51	2,620.68	3,023.87	3,628.64	4,233.41
Nelson	1,209.42	1,410.99	1,612.55	1,814.13	2,217.27	2,620.41	3,023.55	3,628.26	4,232.97
Pen-yr-heol, Treceynydd ac Eneu'r-glyn	1,207.22	1,408.42	1,609.62	1,810.83	2,213.24	2,615.64	3,018.05	3,621.66	4,225.27
Rhymni	1,206.89	1,408.04	1,609.18	1,810.34	2,212.64	2,614.93	3,017.23	3,620.68	4,224.13
Tredegwr Newydd	1,205.69	1,406.63	1,607.58	1,808.53	2,210.43	2,612.32	3,014.22	3,617.06	4,219.90
Gweddill	1,197.26	1,396.80	1,596.34	1,795.89	2,194.98	2,594.06	2,933.15	3,591.78	4,190.41

12. DERBYN CYHOEDDIADAU GAN Y MAER

Nodwyd cyhoeddiadau'r Maer a'r Dirprwy Faer.

13. DERBYN DEISEBAU O DAN REOL GWEITHDREFN 28(3)

Ni dderbyniwyd unrhyw ddeisebau.

14. DERBYN AC ATEB CWESTIYNAU A DDERBYNIWYD O DAN REOL GWEITHDREFN 10(2)

Cwestiwn a dderbyniwyd gan y Cynghorydd K. Etheridge at Arweinydd y Cyngor, y Cynghorydd S. Morgan

Ar ôl mynd i'r digwyddiad ystwyth a thrawsnewid, a fyddai'r Arweinydd yn egluro pa amserlen a chostau ar gyfer prosiectau sy'n cael eu hystyried ar gyfer Coed Duon, Risca a Threcelyn ac Etholaeth Islwyn gydag ymwneud â'r sector preifat gan fy mod yn gweld rhesymoli'n cael ei ystyried ar gyfer y caffi gwybodaeth i dwristiaid sy'n gweithredu ar golled o £100,000 y flwyddyn yng Nghaerffili, ac a yw hyn yn gywir, os gwelwch yn dda?

Ymateb gan Arweinydd y Cyngor, y Cynghorydd S. Morgan, i'r Cynghorydd K. Etheridge

Diolch i'r Cynghorydd Etheridge am y cwestiwn a diolch am eich presenoldeb yn y sesiwn sefyll wythnosol.

Yn gyntaf, hoffwn ddweud bod eich cwestiwn yn ymwneud yn benodol â Choed Duon, Rhisga, Trecelyn ac Etholaeth Islwyn. Wel, nid ydym yn gwneud penderfyniadau ar feysydd penodol, rydym yn gwneud penderfyniadau ar ran ardal gyfan Bwrdeistref Sirol Caerffili ac rydym yn ymgymryd â Thrawsnewid yn ardal gyfan Bwrdeistref Sirol Caerffili.

Bydd ein gwaith ailgynllunio gwasanaeth yn datblygu gwasanaethau trwy lens y cwsmer, gyda'n cwsmeriaid yn drigolion y Fwrdeistref Sirol gyfan, felly wrth i ni symud ymlaen gyda'r Rhaglen Drawsnewid bydd pob cwsmer yn gweld modelau cyflawni amgen yn dod i'r amlwg.

Yn ystod Cam Darganfod prosiect, rydym yn nodi'r ystod eang o opsiynau sydd ar gael i ni o ran gwella profiad y cwsmer wrth hefyd leihau costau darparu gwasanaethau. Ni fydd hyd nes y bydd Cam Darganfod y prosiect yn dod i'r casgliad y byddwn yn gwybod pa brosiectau ymwneud â'r sector preifat neu resymoli sy'n cael eu hystyried. Dim ond wedyn y byddwn mewn sefyllfa i wybod pa newidiadau fydd yn cael eu gwneud. Byddwn, wrth gwrs, yn rhoi gwybod i'r Aelodau ac yn ymgysylltu ar hyd y ffordd drwy ein sesiynau sefyll a chyfathrebu parhaus.

15. DERBYN AC ATEB CWESTIYNAU A DDERBYNIWYD O DAN REOL GWEITHDREFN 10(3)

Cwestiwn a dderbyniwyd gan y Cynghorydd A. Hussey i'r Aelod Cabinet dros Wasanaethau Corfforaethol, Eiddo a Phrifyrdd, y Cynghorydd N. George

Faint o gynnydd sydd wedi'i wneud gyda'n rhesymoli asedau o'i gymharu â'r adeg hon y llynedd?

Ymateb gan yr Aelod Cabinet dros Wasanaethau Corfforaethol, Eiddo a Phrifyrdd, y Cynghorydd N. George, i'r Cynghorydd A. Hussey

Dros y flwyddyn ddiwethaf, mae Rhesymoli Asedau wedi dod yn weithredol, gan hwyluso canoli gwasanaethau a drafodwyd ers amser maith ym mhrif adeilad Tŷ Penallta. Yn dilyn ymdrech sylweddol gan yr holl wasanaethau, mae'r trawsnewid hwn bellach wedi'i gwblhau i raddau helaeth, ar ôl mabwysiadu Polisi Gweithio Ystwyth. Yn ymarferol, mae hyn yn golygu bod ôl troed gweinyddol yr holl wasanaethau wedi'i leihau trwy fabwysiadu cymhareb desg o 30%. O ganlyniad, gallwn ddarparu mwy o wasanaethau yn ein hadeiladau ar y safle a gadael adeiladau cysylltiedig.

Fel rhan o'r ymdrech hon, mae'r Gwasanaethau Cymdeithasol wedi manteisio ar y cyfle i adolygu eu harferion llety. Maen nhw wedi nodi nifer o adeiladau ar draws y Fwrdeistref Sirol

y gallant eu gadael neu eu haddasu at ddibenion gwahanol i atgyfnerthu campws Tredomen. Mae'r Gwasanaethau Plant eisoes wedi symud i lawr cyntaf Tŷ Tredomen, gyda disgwyl i'r Gwasanaethau Oedolion symud draw ym mis Mawrth. Yn ogystal, bydd y gwasanaeth hwn yn gwagio nifer o unedau yng Nglannau Woodfield, Mill Road Caerffili a llety yn Rhisga.

Mae'r cam cychwynnol wedi nodi ychydig o dan £1 miliwn o fanteision referniw a chyfalaf gyda chamau'r dyfodol yn cael eu mapio a'u meintioli. Dangosodd yr adborth gan wasanaethau fod maint y llety yn gyfforddus, felly efallai y byddwn yn gallu ei leihau ymhellach yn ystod camau yn y dyfodol. Mewn manau eraill yn yr ystâd gorfforaethol, mae'r timau Gwasanaethau Etholiadol a Thai wrthi'n gadael Tŷ Gilfach, ac mae dyfodol yr adeilad hwn yn cael ei ystyried ar hyn o bryd.

O fewn y portffolio Addysg, mae cwblhau ysgol Cwm Gwyddon yn ddiweddar wedi arwain at wacáu'r hen safle yn Abercarn. Mae defnydd amgen ar gyfer y safle hwn yn cael eu hystyried ar hyn o bryd ac mae'r Gwasanaethau Ieuenctid wedi nodi bod safle Brooklands yn Rhisga ar gael i ofynion y gwasanaeth. Yn ychwanegol at hyn dros y flwyddyn ddiwethaf, ymgwymerwyd â 18 o safleoedd llai, gan gynnwys gerddi ac estyniadau, o rannau segur a dros ben yr ystâd. Mae sawl achos byw ar y gweill ar gyfer y dyfodol.

Ar ben hynny, mae trafodaethau am gydweithrediadau yn y sector cyhoeddus yn y dyfodol ar y gweill gyda'r GIG, yr Heddlu a phartneriaid eraill yn y sector cyhoeddus.

16. DERBYN CWESTIYNAU O DAN REOL GWEITHDREFN 10(12) Y DARPERIR YMATEB YSGRIFENEDIG AR EI GYFER.

Nid oedd unrhyw gwestiynau i'w hateb yn ysgrifenedig.

Daeth y cyfarfod i ben am 8.03pm.

Cymeradwywyd gan y Maer fel cofnod cywir ac yn amodol ar unrhyw ddiwygiadau neu gywiriadau y cytunir arnynt ac a gofnodir yng nghofnodion y cyfarfod a gynhelir ar 18 Ebrill 2024.

MAER

Gadewir y dudalen hon yn wag yn fwriadol



COUNCIL - 27TH FEBRUARY 2024

SUBJECT: NOTICE OF MOTION – WALES LOCAL GOVERNMENT SETTLEMENT

REPORT BY: CORPORATE DIRECTOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 Council is asked to consider the Notice of Motion as set out in paragraph 5.1 of the report and make an appropriate recommendation. In accordance with Rule 11(3) of the Constitution. To expedite business, the Mayor has agreed to allow the motion to be dealt with by Council without the motion first being discussed at an overview and scrutiny committee.

2. SUMMARY

- 2.1 A Notice of Motion has been received from Councillor S. Morgan (Leader of Council) and is supported by Councillors J. Pritchard, N. George, E. Stenner, S. Cook, C. Andrews, P. Leonard, E. Forehead, C. Morgan, L. Whittle (Leader of the Plaid Cymru Group) and N. Dix (Leader of Independents Group).
- 2.2 The Notice of Motion meets the criteria set out in the Council's Constitution and in accordance with the Council's Rules of Procedure, having been agreed by the Mayor that the motion may be dealt with, without first being discussed at an overview and scrutiny committee is presented to Council for consideration.

3. RECOMMENDATION

- 3.1 Council is asked to consider the Notice of Motion as outlined in paragraph 5.1 and make an appropriate recommendation.

4. REASONS FOR THE RECOMMENDATION

- 4.1 In accordance with the Council's Constitution.

5. THE REPORT

5.1 Notice of Motion

In his Notice of Motion Councillor Morgan calls on Council to write to UK Government

and call on the UK Conservative Government to invest in public services, including health, education and local government services and provide a fair settlement to the Welsh Government in order that services in Wales can be properly funded. He asks Council to call upon Conservative Ministers to announce additional investment in the budget in March.

- 5.2. Councillor Morgan asks that this Council condemns the utterly inadequate settlement for Wales announced by the UK Conservative Government in the Autumn Statement.
- 5.3 Councillor Morgan in support of his notice of motion advises that this settlement provides only £305 million extra for the Welsh Government over a two-year period.

This means Welsh Government have around £160 million next year to meet all of the pressures in the NHS, Local Government, and all other services it provides for the people of Wales.

To place this in perspective, Caerphilly County Council spends more than £173m on Education alone.

Financial pressures in this Council alone are estimated at £56m for 2024/25 and in Local Government in Wales at £720m.

This settlement will go nowhere near meeting the inflationary pressures faced by services in Wales, it is a raw deal for the people of Wales and shows how the UK Government cares about the people of Wales.

6. ASSUMPTIONS

- 6.1 As a notice of motion is a procedural matter and must be dealt with in accordance with Council's Constitution, no assumptions have been made.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report does not require an Integrated Impact Assessment as it relates to a procedural matter under the Councils Constitution.
- 7.2 The procedural rules regarding a Notice of Motion are contained within Council's Constitution as adopted in May 2002. The Council's Constitution sets out the framework for the decision-making roles and responsibilities.
- 7.3 However the outcome of the Notice of Motion and any subsequent reports arising from it may require an Integrated Impact Assessment.

8. FINANCIAL IMPLICATIONS

- 8.1 As this report is a procedure matter, there are no financial implications associated with presenting a notice of motion to Council for consideration.

9. PERSONNEL IMPLICATIONS

- 9.1 As this report is a procedure matter, there are no personnel implications associated with presenting a notice of motion to Council for consideration.

10. CONSULTATIONS

- 10.1 As this is a procedural notice of motion, there has been no consultation undertaken.

11. STATUTORY POWER

- 11.1 Local Government Act 2000

Author: Emma Sullivan (Senior Committee Services Officer)

Appendices: Appendix 1 Signed copy of Notice of Motion.

Gadewir y dudalen hon yn wag yn fwriadol

APPENDIX 1

NOTICE OF MOTION – WALES LOCAL GOVERNMENT SETTLEMENT

Notice of Motion standing in the name of Councillor S. Morgan, Leader of Council and supported by the Councillors detailed.

This Council condemns the utterly inadequate settlement for Wales announced by the UK Conservative Government in the Autumn Statement.

This settlement provides only £305 million extra for the Welsh Government over a two-year period.

This means Welsh Government have around £160 million next year to meet all of the pressures in the NHS, Local Government, and all other services it provides for the people of Wales.

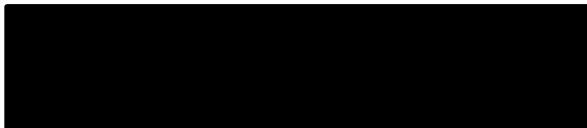
To place this in perspective, Caerphilly County Council spends more than £173m on Education alone.

Financial pressures in this Council alone are estimated at £56m for 2024/25 and in Local Government in Wales at £720m.

This settlement will go nowhere near meeting the inflationary pressures faced by services in Wales, it is a raw deal for the people of Wales and shows how the UK Government cares about the people of Wales.

We ask this Council to write to UK Government and call on the UK Conservative Government to invest in public services, including health, education, and local government services and provide a fair settlement to the Welsh Government in order that services in Wales can be properly funded. We call upon Conservative Ministers to announce additional investment in the budget in March.

Signed



Councillor S. Morgan.

Supported by Councillors: J. Pritchard, N. George, E. Stenner, S. Cook, C. Morgan, E. Forehead, C. Andrews, P. Leonard, L. Whittle, Cllr N. Dix.

Gadewir y dudalen hon yn wag yn fwriadol



COUNCIL – 27TH FEBRUARY 2024

SUBJECT: PUBLICATION OF THE PAY POLICY STATEMENT 2024 / 25

REPORT BY: CORPORATE DIRECTOR EDUCATION AND CORPORATE SERVICES

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1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek approval from Council for the publication of the Authority's Pay Policy Statement 2024 / 25.

2. SUMMARY

- 2.1 The Pay Policy Statement attached at Appendix 1 contains the full details of the remuneration position for the Council for 2024 / 25. It is a statement of fact.
- 2.2 It is a legislative requirement that this information is published on an annual basis by 31st March each year, once agreed by Council.
- 2.3 The Pay Policy Statement will be published on the Council's Website and will be available for access by members of the public.

3. RECOMMENDATIONS

- 3.1 Council is asked to agree the attached Pay Policy Statement 2024 / 25 (Version 13) for publication on the Council's website.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The recommendation ensures that the Council complies with the legislative requirement to publish this year's annual Pay Policy by 31st March 2024.

5. THE REPORT

- 5.1 Since 2012, Local Authorities in England and Wales have been required to publish an annual pay policy statement in accordance with the Localism Act 2011 detailing:

- a) The Council's policies towards all aspects and elements of the remuneration of Chief Officers (Chief Officers are as defined in para 5.1 of this policy);
 - b) The approach to the publication of, and access to, information relating to all aspects of the remuneration of Chief Officers;
 - c) The Council's policy on the remuneration of its lowest paid employees (including the definition adopted and reasons for it);
 - d) The relationship between the remuneration of its Chief Officers and other employees.
- 5.2 Further guidance has been issued since this date and in December 2016, the Staff Commission published "Advice and guidance on the Welsh Government Framework on 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector'". This guidance replaced any previous guidance issued under section 40 of the Localism Act 2011.
- 5.3 The provisions which relate to the Pay Policy Statement only apply to employees directly appointed and managed by the Council. Employees who are appointed and managed by schools are, therefore, not required to be included within the scope of Pay Policy Statement. This reflects the unique employment legislation position whereby all schools' employees are employed by the Local Authority, but decisions about the appointment and management of such employees are mostly discharged by Head Teachers / Governing Bodies, as appropriate.
- 5.4 The Pay Policy Statement attached at Appendix 1 contains the full details of the remuneration position for the Council for 2024 / 25 that are required to be published under legislation. It is a statement of fact.
- 5.5 There is a legislative requirement that the Pay Policy Statement is published on an annual basis by 31st March each year, once agreed by Council.
- 5.6 The Pay Policy Statement will be published on the Council's Website and will be available for access by members of the public.
- 5.7 The Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton "Review of Fair Pay in the Public Sector" (2010). The Pay Policy Statement publishes these relativities at paragraph 7.5 and CCBC is well within the advisory guidelines provided.
- 5.8 Each year the election fees detailed in Appendix F are uplifted by the percentage NJC pay award. However, last year's pay award was again a flat rate payment. The fees have therefore been uplifted by the average percentage of 6.86%.
- 5.9 **Conclusion**

The Council has a legal requirement to publish a Pay Policy Statement by 31st March each year. The Pay Policy statement attached at Appendix 1 is a statement of fact of remuneration at the time of agreement by Council.

6. ASSUMPTIONS

- 6.1 There are no assumptions made within this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The Pay Policy 2024 / 25 is a statement of fact. An integrated impact assessment has not been completed for this Pay Policy but all the policies referred to in the Pay Policy have been subject to an impact assessment.

8. FINANCIAL IMPLICATIONS

- 8.1 Salaries are accounted for within core service revenue budgets. The national pay awards for 2024 / 25 are subject to negotiation. Any increase in salaries will need to be funded from the Council's Revenue Budget.

9. PERSONNEL IMPLICATIONS

- 9.1 The personnel implications are included in the report.

10. CONSULTATIONS

- 10.1 The consultation responses have been incorporated in the report.

11. STATUTORY POWER

- 11.1 Local Government Act 1972
Localism Act 2011
Local Government (Wales) Measure 2011
Local Government (Wales) Act 2015
The Council's Constitution

Author: Lynne Donovan, Head of People Services

Consultees: David Street, Deputy Chief Executive
Richard Edmunds, Corporate Director Education and Corporate Services
Mark Williams, Corporate Director Economy and Environment
Cllr Nigel George, Cabinet Member for Corporate Services, Property and Highways
Stephen Harris, Head of Financial Services and S151 Officer
Robert Tranter, Head of Legal Services and Monitoring Officer
Nicola Chapman, HR Service Manager
Lisa Downey, HR Service Manager

Appendices:

Appendix 1 Pay Policy Statement 2024 / 25 (Version 13)

Gadewir y dudalen hon yn wag yn fwriadol

Pay Policy Statement 2024 / 25

Version:	Version 13
Policy Ratified by:	Council
Date:	27th February 2024
Area Applicable:	All Caerphilly employees (including Agency Workers) except School contracted employees.
Review Year	Financial Year 2024 - 2025



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1. Introduction & Purpose

- 1.1 Under Section 112 of the Local Government Act 1972 the Council has the power 'to appoint officers on such reasonable terms and conditions as the Authority thinks fit'. This Pay Policy statement sets out Caerphilly CBC's approach to Pay Policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011. This requires English and Welsh Local Authorities to produce and publish a Pay Policy Statement for 2012 / 2013 and for each financial year after that, detailing:
- a) The Council's policies towards all aspects and elements of the remuneration of Chief Officers (Chief Officers are as defined in para 5.1 of this policy);
 - b) The approach to the publication of, and access to, information relating to all aspects of the remuneration of Chief Officers;
 - c) The Council's policy on the remuneration of its lowest paid employees (including the definition adopted and reasons for it);
 - d) The relationship between the remuneration of its Chief Officers and other employees.
- 1.2 Guidance regarding these matters was issued by Welsh Government and, in accordance with section 40 (2) of the Act, Local Authorities in Wales were required to have regard to this Guidance when performing their functions in preparing and approving Pay Policy statements. In December 2015, Welsh Government also published a framework document that set out a common set of high level principles and minimum standards for reporting arrangements of senior remuneration within the Welsh public sector (including local authorities).
- 1.3 In December 2016, the Staff Commission published "Advice and guidance on the Welsh Government Framework on 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector'". This guidance replaced any previous guidance issued under section 40 of the Localism Act 2011.
- 1.4 Welsh Government also issued further guidance in December 2020 entitled "Pay Accountability in local government. What to include in local authority annual pay policy statements".
- 1.5 This is an update to the previous Pay Policy statement first issued in June 2012, and last updated with Council approval on 15th March 2023. This statement will come into immediate effect once fully endorsed by Council at its meeting on the 27th February 2024. The salary ranges within this Pay Policy are those nationally agreed for 2023 / 24 as the national pay awards for 2024 / 25 are subject to negotiation.
- 1.6 This pay policy statement needs to be placed in context. Caerphilly County Borough Council is a large complex organisation with a multi-million pound budget. CCBC has a workforce of just over 8,600 employees and a combined revenue and capital budget for 2022/2023 of £688.9 million. We are in addition the largest single employer based in the County Borough.
- 1.7 As an employer we have a very wide range of functions and are responsible for the provision of many essential services at a local level. The general approach to employee remuneration levels may therefore differ from one group of employees to another to reflect specific circumstances at a local, Welsh or UK national level. The approach also needs to be flexible when required to address a variety of changing circumstances, whether foreseeable or not.

2. Legislative Framework

- 2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favorable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.
- 2.2 With regard to the Equal Pay requirements contained within the Equality Act 2010, the Council aims to ensure there is no pay discrimination within its pay structures and that all pay differentials

can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

3. Scope of the Pay Policy

- 3.1 The Localism Act 2011 requires local authorities to develop and make public their Pay Policy on all aspects of Chief Officer remuneration (including on ceasing to hold office), and also in relation to the “lowest paid” in the Council, explaining their Policy on the relationship between remuneration for Chief Officers and other groups.
- 3.2 The provisions in the Localism Act 2011 which relate to Pay Policy statements only apply to employees directly appointed and managed by the Council. Employees who are appointed and managed by school Head Teachers/Governing Bodies are, therefore, not required to be included within the scope of Pay Policy statements. This reflects the unique employment legislation position whereby all schools’ employees are employed by the Local Authority but decisions about the appointment and management of such employees are mostly discharged by Head Teachers/Governing Bodies, as appropriate.

4. Pay Structure and Arrangements

- 4.1 The Council employs staff under the National Joint Council (NJC) for Local Government Services terms and conditions which are incorporated in their contracts. Caerphilly uses the NJC nationally negotiated pay spine as the basis for its local grading structure. Our localised Pay & Grading structure was achieved through a collective agreement with the Trade Unions and implemented with effect from the 1st of April 2009. The Council’s NJC Pay & Grading structure was updated, through a collective agreement with the Trade Unions as a result of the NJC pay agreement for 2018-2020, which included the introduction of a new NJC for Local Government Services Pay Spine. The Pay & Grading structure has been updated to remove SCP 1 with effect from 1st April 2023, in accordance with the NJC pay award for 2022.
- 4.2 The Council employs Chief Officers under Joint Negotiating Committee (JNC) terms and conditions which are incorporated in their contracts. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this Council will therefore pay these as and when determined in accordance with current contractual requirements.
- 4.3 The terms and conditions for Chief Executives are agreed by a separate body i.e. the Joint Negotiating Committee (JNC) for Chief Executives, which also negotiates on a national basis. Council, at the meeting held on 19th November 2019, agreed that all future nationally agreed pay awards for the Chief Executive would be approved automatically.
- 4.4 Caerphilly utilises the Greater London Provincial Council (GLPC) Job Evaluation process for NJC staff. In terms of Chief Officers, including the Chief Executive, the Council uses the Hay Job Evaluation process which allows the posts to be effectively benchmarked against the internal and external markets, as approved by Cabinet in 2004. These processes determine the salaries of the large majority of the non Teaching workforce, together with the use of other nationally defined rates where relevant.
- 4.5 In addition to the NJC and JNC arrangements referred to above, the Council recognises other nationally negotiated arrangements including National Pay Grades under the Soulbury Agreement and the National Pay Grades under the JNC for Youth & Community Workers. The details of these scales are contained in Appendices A – D.
- 4.6 The Council also has in place local agreements achieved via collective agreements with the Trade Unions for these staff groups.

- 4.7 New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary, subject to the approval of the Head of Service. From time to time, it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector and is incorporated in the Market Supplements Policy.

Pay Supplements

- 4.8 All other pay related allowances are subject to either nationally or locally negotiated rates, that are determined in accordance with collective bargaining machinery and/or Council Policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money against the ability to recruit and retain appropriately skilled and experienced employees that can deliver high quality services to the public.
- 4.9 The Council has committed itself to being a Living Wage Employer. The previous Living Wage rate was £10.90 per hour. With effect from 1st November 2023 this rate was increased to £12.00 per hour. The Council will therefore continue to pay the difference between the relevant Spinal Column Point (NJC SCP's 2 - 4 are affected) as a supplement. This supplement is included in the hourly rate as pensionable pay. This is demonstrated in the Council's NJC pay scales as provided in Appendix A.

Honoraria/ Acting Up Arrangements

- 4.10 Periodically individuals may be assigned temporary duties or responsibilities over and above their normal role. The Council operates its Acting Up and Honoraria Schemes to ensure that individuals are appropriately remunerated in accordance with the evaluation policy that applies to their terms and conditions.

Early Retirement, Voluntary Severance & Redundancy

- 4.11 The Council has agreed policies in relation to Early Retirement by Mutual Consent, Redundancy and Voluntary Severance. Any cost to the Council for employees to leave its employment with unreduced access to pension (except for compulsory redundancy) must be agreed by the Pensions Compensation Committee i.e. the group of Elected Members with delegated powers to approve such payments. The schemes are in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. All these Policies (except compulsory redundancy) are underpinned by the requirement for a robust business case which balances service delivery with cost and with Head of Service, Director, Section 151 Officer and Head of People Services approval. The Policies are all available on the HR Portal via the following links:

<http://sc-aptken1/KENTICO/Departments/HR/Policies-Procedures/Early-Retirement-By-Mutual-Consent-On-The-Grounds.aspx>

<http://sc-aptken1/KENTICO/Departments/HR/Policies-Procedures/Redundancy-Scheme.aspx>

<http://sc-aptken1/KENTICO/Departments/HR/Policies-Procedures/Voluntary-Severance-Scheme.aspx>

- 4.12 The Council is the major employer in the area. Indeed, a majority of the employees who work for the Council live within Caerphilly County Borough. As such, the Council must have regard to its role in improving the economic well-being of the people of the County Borough.

- 4.13 The availability of good quality employment on reasonable terms and conditions and fair rates of pay has a beneficial impact on the quality of life in the community as well as on the local economy. The Council also has a role in setting a benchmark on pay and conditions for other employers in the area for the same reasons.
- 4.14 The Council is committed to working in partnership with its recognised Trade Unions in relation to all pay and conditions of service matters. The 2009 and 2019 Collective Agreements to achieve our Pay & Grading Structures were achieved with the support of our Trade Union partners. We continue to review the impacts of the Medium Term Financial Plan on our workforce.

Mileage

- 4.15 The mileage rate is currently 45p per mile in accordance with the HMRC approved exempt amount.

5. Chief Officer Remuneration

5.1 Definitions of Chief Officer / Pay Levels

- 5.1.1 For the purposes of this Pay Policy statement, “Chief Officers” are as defined within Section 43 of the Localism Act. The table below details the current numbers of Leadership Team:

Post Title	Number of posts
Chief Executive	1
Deputy Chief Executive	1
Director	3
Head of Service	13 (12 x Grade A 1 x Grade B)

N.B. There are also 8 Hay Grade B posts that are not designated as Heads of Service.

- 5.1.2 The gender make up of the Chief Officers is 7 females and 10 males.
- 5.1.3 At the meeting held on 19th November 2019, Council agreed the recruitment to the post of Chief Executive on a permanent basis on a spot salary of £140,000 per annum. This has now been subject to national pay awards and is £153,111.
- 5.1.4 At the meeting held on 24th November 2022, Council agreed to create an additional post of Deputy Chief Executive on a spot salary of £139,044. As agreed at the meeting, this spot salary has been adjusted following the agreement of the national pay awards and is £145,903.
- 5.1.5 The pay structure for the other Chief Officers is as follows:-
- Corporate Directors - The salary of the post falls within a range of four incremental points between £125,025 rising to a maximum of £138,695 per annum;
 - Heads of Service (Band A) - The salary of the post fall within a range of four incremental points between £95,900 rising to a maximum of £106,334 per annum
 - Heads of Service (Band B) - The salary of the post fall within a range of four incremental points between £74,553 rising to a maximum of £82,617 per annum
 - No bonus or performance-related pay mechanism is applicable to any Chief Officers’ pay.

5.1.6 As per the decision at Council on 17th January 2013, the higher band A+ as shown in Appendix D was not used during the period of the previous administration and neither was the issue of Chief Officer pay revisited. It has not been reviewed since that administration period has passed and any future proposals in relation to Chief Officer pay would require a decision by Full Council.

5.2 Recruitment of Chief Officers

5.2.1 The Council's Policy and Procedures with regard to the recruitment of Chief Officers is contained within the Officer Employment Procedure Rules as set out in Part 4 of the Council's Constitution.

5.2.2 The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant Council policies in place at the time of recruitment.

5.2.3 Where the Council is unable to recruit a Chief Officer under a contract of service, or there is a need for support for a specific project or to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider engaging individuals under "contracts for service". These will be sourced through a relevant procurement process (in accordance with standing orders and financial regulations), ensuring the Council is able to demonstrate value for money from competition in securing the relevant service. There are, however, no current examples of this arrangement.

5.2.4 Welsh Government recommends in addition to agreeing the parameters for setting the pay of Chief Officers, full Council should be offered the opportunity to vote on large salary packages that are to be offered in respect of new appointments in accordance with their agreed pay policy statements. The Welsh Ministers consider £100,000 is the right level for that threshold.

5.2.5 For this purpose, salary packages should be consistent with the categories defined for remuneration in the Accounts and Audit (Wales) Regulations 2014. This will include salary, bonuses, fees, allowances routinely payable, any expenses allowance chargeable to UK income tax, the relevant authorities' contribution to the officer's pension and any other benefits in kind to which the officer is entitled as a result of their employment.

5.2.6 There is a requirement to specifically consult the Independent Remuneration Panel on any intention to change the salary of the Head of Paid Service (in our case the Chief Executive) or Chief Officers that are not in keeping with changes applied to other officers of the authority. The Council is then required to give due regard to their recommendations on the salary of the Head of Paid Service or Chief Officer prior to considering any changes.

5.3 Additions to Salary of Chief Officers

5.3.1 In addition to basic salary, set out below are details of other elements of Chief Officer remuneration:

- The Council pays a standard mileage rate of 45p pence per mile to Chief Officers (consistent with all other employees) with effect from the 1st July 2015, where the Chief Officer uses their private vehicle on Council business. The Council also reimburses any other reasonable expenses, incurred by the Chief Officer on behalf of the Council whilst on Council business, on production of receipts and in accordance with JNC conditions and other local conditions.
- The cost of registration with a regulatory body if there is a requirement to be registered in order to practice and undertake their specific job role. This currently only applies to the post of Head of Legal Services & Monitoring Officer.

5.3.2 The Council has a statutory duty to appoint a Returning Officer for specified Elections and Referenda. The post of Chief Executive holds responsibility to be the Returning Officer for the

Council for all Elections held within the County Borough. The Returning Officer is personally responsible for a wide range of functions in relation to the conduct of Elections and Referenda and is paid for discharging these functions in accordance with prescribed fees. The prescribed fees for Caerphilly County Borough Elections are attached in Appendix F. Fees for other organisation's elections are not determined by or paid for by the Council, e.g. Welsh Government set the fees for their election etc. All the Returning Officer's payments in any election are publicised as part of the council accounts on an annual basis.

5.4 Payments on Termination

- 5.4.1 The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 [and if adopted] Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. For clarity the Authority does not provide any augmentation ("added years") of pension, in its payments on termination.
- 5.4.2 Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made in accordance with the Scheme of Delegation as contained within the Council's Constitution.
- 5.4.3 Council will be required to approve any severance package in excess of the current threshold determined by Welsh Ministers at £100,000. Members will be advised of any contractual or statutory elements of the severance package, along with the consequences of withholding these from an employment law context.

6. Publication

- 6.1 This is an update of the Pay Policy Statement. This statement will come into effect, once fully endorsed by Council in February 2024.
- 6.2 In addition, the Accounts and Audit (Wales) Regulations 2014 require the Authority to disclose the following information in respect of remuneration in its annual Statement of Accounts:
- The number of employees whose remuneration, excluding pension contributions, was greater than £60,000.
 - The remuneration and the components of remuneration for statutory chief officers and designated head of paid service who have responsibility for the management of the Authority.
 - The total number and cost of exit packages.
 - The remuneration ratio between the Chief Executive and the median remuneration of all employees.

7. Pay Relativities within the Council

- 7.1 The "lowest paid" persons employed under a contract of employment with the Council are employed at the new Living Wage (Foundation) rate of £12.00 per hour. All roles within our grading structure paid in accordance with the spinal column points 2 – 4 of the NJC pay spine for Local Government Services employees, receive a supplement to make the rate £12.00 per hour. As at 1st November 2023, this is £23,152 (Full Time Equivalent Earnings) per annum for a 37 hour standard working week.

- 7.2 The relationship between the rate of pay for the “lowest paid” employees and the Council’s Chief Officers is regulated by the processes used for determining pay and grading structures as set out in this Pay Policy Statement.
- 7.3 The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton “Review of Fair Pay in the Public Sector” (2010).
- 7.4 Will Hutton was asked by the UK Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organization. Hutton concluded that the relationship to median earnings was a more relevant measure and the Government’s Code of Recommended Practice on Data Transparency recommends the publication of the ratio between the highest rate of pay and the median average pay of the whole of the Council’s workforce (but excluding teachers and other employees appointed and managed by schools, in the case of local authorities).
- 7.5 The salary utilised for the Chief Executive calculations of all the pay multiple data is £153,111 i.e. the salary of the Chief Executive.

Pay Multiple Data

The data for the Authority is contained in the table below:

Salary Multiple	Ratio
the multiple between the annual salary of the lowest paid Council employee and the Chief Executive (full-time equivalent basis) as a ratio	1:6.61
the multiple between the annual salary of the lowest paid Council employee and the average Chief Officer (full-time equivalent basis) as a ratio	1:4.59
the multiple between median earning of Council employees and the Chief Executive (full-time equivalent basis) as a ratio	1:5.89
the multiple between median earning of Council employees and the average Chief Officer (fulltime equivalent basis) as a ratio	1:4.09

- 7.6 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available salary benchmarking information as appropriate.

8. Accountability and Decision Making

- 8.1 In accordance with the Constitution of the Council, the Chief Executive is responsible for decision-making in relation to the recruitment, pay (apart from those detailed in 8.2), conditions of service and severance arrangements for all employees of the Council, except Teachers, as their main pay and conditions of service are determined on a legislative basis by Welsh Government.
- 8.2 The Council will set remuneration for the Chief Executive and Chief Officers (as defined in paragraphs 5.1.3, 5.1.4 and 5.1.5).
- 8.3 The Council has established a delegated Sub Committee i.e. the Pensions Compensation Committee, to consider any requests by employees to leave the employment of the Council with unreduced access to pension with a cost to the Council (except compulsory redundancy), that are supported by the agreed business case process.

9. Re-Employment

- 9.1 No Chief Officer, or any other employee, who leaves the employment of the Council on the grounds of early retirement, severance or voluntary redundancy will be later re-employed as an employee of the Council or contracted under a “contract of service” (as per 5.2.3), without the express permission of the Chief Executive in consultation with the Cabinet Member for Corporate Services. Where the re-employment is regarding the post of the Chief Executive or a Chief Officer (as defined in paragraph 5.1.1), this decision will require full Council approval.
- 9.2 An exception to this occurs where an employee leaves under an agreed Flexible Retirement arrangement, where their ongoing employment is approved as part of the business case for release of accrued pension benefits.

10. Reviewing the Policy

- 10.1 This Pay Policy outlines the current position in respect of remuneration within the Council and it will be reviewed at least annually and reported to full Council, to ensure that it meets the principles of fairness, equality, accountability and value for money for the authority and its residents.

Appendix A NJC Pay Structure 2023 / 24

Grade	SCP	Salary (from 1 April 2023)	Foundation Living Wage 1 Nov 2023
Grade 1	2	£22,366	£23,152
Grade 2	3	£22,737	£23,152
Grade 3	4	£23,114	£23,152
Grade 4	5	£23,500	
	6	£23,893	
Grade 5	7	£24,294	
	8	£24,702	
	9	£25,119	
	10	£25,545	
	11	£25,979	
Grade 6	12	£26,421	
	13	£26,873	
	14	£27,334	
	15	£27,803	
	16	£28,282	
	17	£28,770	
Grade 7	18	£29,269	
	19	£29,777	
	20	£30,296	
	21	£30,825	
	22	£31,364	
	23	£32,076	
Grade 8	24	£33,024	
	25	£33,945	
	26	£34,834	
	27	£35,745	
Grade 9	28	£36,648	
	29	£37,336	
	30	£38,223	
	31	£39,186	
Grade 10	32	£40,221	
	33	£41,418	
	34	£42,403	
	35	£43,421	
Grade 11	36	£44,428	
	37	£45,441	
	38	£46,464	
	39	£47,420	
Grade 12	40	£48,474	
	41	£49,498	
	42	£50,512	
	43	£51,515	

Notes:

1. The Foundation Living Wage rate applies from 1st November 2023.
2. SCP 1 has been removed from the NJC Pay Spine with effect from 1st April 2023 in accordance with the NJC pay award for 2022.

Appendix B Soulbury Pay Structure 2023 / 24

EDUCATIONAL PSYCHOLOGISTS – SCALE A

Spine Point	Salary (from 1 Sep 2023)
1	£42,442
2	£44,474
3	£46,525
4	£48,575
5	£50,627
6	£52,678
7	£54,609
8	£56,540
9	£58,348
10	£60,160
11	£61,848
12	£62,540*
13	£63,836*
14	£65,120*

Notes:

1. Pay scales to consist of 6 consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit, retain and motivate staff.
2. * Extension to scale to accommodate structured professional assessment points.
3. Three additional SCPs after point 11 with effect from 1 September 2023.
4. *The* SCPs added indicate the addition of three pay ranges to the current ranges, namely: A1 – 6, A2 – 7, A3 – 8, A4 – 9, A5 – 10 and A6 – 11.
5. SPA points will not be conflated with range points. This allows those local authorities with recruitment and retention challenges and which have the budgetary flexibility, the option to utilise that additional headroom.

SENIOR / PRINCIPAL EDUCATIONAL PSYCHOLOGISTS – SCALE B

Spine Point	Salary (from 1 Sep 2023)
1	£52,678
2	£54,609
3	£56,540
4	£58,348
5	£60,160
6	£61,8948*
7	£62,540
8	£63,836
9	£65,120
10	£66,425
11	£67,706
12	£69,010
13	£70,337
14	£71,621
15	£72,966
16	£74,297
17	£75,637**
18	£76,976**
19	£80,055**
20	£83,257**
21	£86,587**

Notes:

1. Pay scales to consist of not more than four consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit, retain and motivate staff.
2. * Normal minimum point for the Principal Educational Psychologist undertaking the full range of duties at this level.
3. ** Extension to range to accommodate discretionary scale points and structured professional assessments
4. Three additional SCPs after point 18 with effect from 1 September 2023

TRAINEE EDUCATIONAL PSYCHOLOGISTS

Spine Point	Salary (from 1 Sep 2023)
2	£29,872
3	£31,770
4	£33,673
5	£35,572
6	£37,473

Notes:

1. SCP 1 is deleted with SCP 2 the first point of the scale with effect from 1 September 2023.

ASSISTANT EDUCATIONAL PSYCHOLOGISTS

Spine Point	Salary (from 1 Sep 2023)
2	£35,228
3	£36,531
4	£37,828
5	£39,341

Notes:

1. SCP 1 is deleted with SCP 2 the first point of the scale with effect from 1 September 2023.
2. An additional point after SCP 4 with effect from 1 September 2023.

EDUCATION IMPROVEMENT PROFESSIONALS

Spine Point	Salary (from 1 Sep 2023)
1	£40,540
2	£41,920
3	£43,224
4	£44,545
5	£45,857
6	£47,170
7	£48,550
8	£49,878*
9	£51,425
10	£52,805
11	£54,166
12	£55,484
13	£56,976**
14	£58,308

15	£59,777
16	£61,106
17	£62,440
18	£63,748
19	£65,097
20	£65,794***
21	£67,133
22	£68,301
23	£69,586
24	£70,739
25	£71,971
26	£73,173
27	£74,403
28	£75,650
29	£76,899
30	£78,146
31	£79,382
32	£80,637
33	£81,894
34	£83,180
35	£84,465
36	£85,784
37	£87,083
38	£88,396
39	£89,691
40	£90,985
41	£92,285
42	£93,585
43	£94,883
44	£96,189
45	£97,490
46	£98,794
47	£100,102
48	£101,399
49	£102,700
50	£104,004
51	£108,164****
52	£112,491****

Notes:

1. Salary scales to consist of not more than four consecutive points based on the duties and responsibilities attaching to posts and the need to recruit and motivate staff.
2. *normal minimum point for EIP undertaking the full range of duties at this level.
3. **normal minimum point for senior EIP undertaking the full range of duties at this level.
4. ***normal minimum point for leading EIP undertaking the full range of duties at this level.
5. **** extension to range to accommodate structured professional assessments.
6. Two additional points after SCP 50 with effect from 1 September 2023.

Appendix C JNC Youth and Community Workers Pay Structure 2023 / 24

YOUTH AND COMMUNITY SUPPORT WORKER

Spine Point	Salary (from 1 Sep 2023)
5	£23,496
6	£23,825
7	£24,121
8	£24,799
9	£25,664
10	£26,341
11	£27,434
12	£28,501
13	£29,606
14	£30,750
15	£31,528
16	£32,341
17	£33,141

YOUTH AND COMMUNITY SUPPORT WORKER (SENIOR)

Spine Point	Salary (from 1 Sep 2023)
13	£29,606
14	£30,750
15	£31,528
16	£32,341
17	£33,141
18	£33,946
19	£34,745
20	£35,547
21	£36,447
22	£37,467
23	£38,461
24	£39,459
25	£40,465
26	£41,470
27	£42,475
28	£43,493,568
29	£44,502
30	£45,513,588
31	£46,195*
32	£47,316*

Notes:

1. *Discretionary Points

Appendix D JNC Senior Management Pay Structure with effect from 1 April 2023

All of the levels in the grading structure are linked to their evaluation under the Job Evaluation deployed for Senior roles i.e. Hay. This currently comprises of the Chief Executive, Deputy Chief Executive & Directors posts, and 6 further bands from A+ to E. Band A & B are Heads of Service and band C - E covers all other senior posts in the JNC arrangements.

	Increment 1	Increment 2	Increment 3	Increment 4
Chief Executive	£153,111	N/A	N/A	N/A
Deputy Chief Executive	£145,903	N/A	N/A	N/A
Director	£125,025	£129,578	£124,128	£138,695
Band A+ Heads of Service	£106,798	£110,674	£114,554	£118,43
Band A Heads of Service	£95,900	£99,375	£102,849	£106,334
Band B	£74,553	£77,238	£79,924	£82,617
Band C	£58,858	£60,754	£62,648	£64,547
Band D	£52,429	£54,112	£55,795	£57,474
Band E	£46,935	£47,966	£48,989	£49,997

In accordance with the decision of Council on 19th November 2019:

- The post of Chief Executive has a spot salary.

In accordance with the decision of Council on 22nd November 2022:

- The post of Deputy Chief Executive has a spot salary.

In accordance with the decision of Council on 17 January 2013:

- There are no Officers employed currently in the Band A+.

Appendix E All Employee Groups - Main Conditions of Service

ANNUAL LEAVE	
<ul style="list-style-type: none"> • Chief Executive & Directors (JNC) 	39 days pa (No access to flexi leave)
<ul style="list-style-type: none"> • Chief Officers (JNC) • NJC • Soulbury • Youth & Community Workers 	<p>30 days per annum for up to 5 years' continuous local government service.</p> <p>34 days per annum for 5 years or more continuous local government service.</p> <p>Where relevant individual employees are members of the flexible working hours scheme, they can benefit from 12 days flexi leave per calendar year.</p>
<ul style="list-style-type: none"> • 	
HOURS OF WORK	
<ul style="list-style-type: none"> • Chief Executive (JNC) • Chief Officers (JNC) • NJC • Soulbury • Youth & Community Workers 	Standard working week is 37 hours, unless contractually employed on set hours.
OVERTIME PAYMENTS	
<ul style="list-style-type: none"> • Chief Executive (JNC) • Chief Officers (JNC) 	None
<ul style="list-style-type: none"> • NJC • Soulbury • Youth and Community Workers 	<p>All employees who are required to work additional hours beyond the 37 hour working week (or beyond their contracted working pattern that averages a 37 hour working week (e.g. rota/annualized hours) are entitled to receive enhancements at the rate of basic pay at time and a half except for Public and Extra Statutory holidays where basic pay at double time will be paid.</p> <p>Part-time employees are entitled to these enhancements only at times and in circumstances in which full-time employees would qualify. Otherwise, a part-time employee shall work a full working week (i.e. 37 hours) before these enhancements apply.</p> <p>Employees required to work on an a Public and / or extra bank holiday as part of their normal working week shall, in addition to the normal pay for that day, be paid at plain time for all hours worked and will, in addition, receive a day's leave in lieu of each day.</p>

	Employees required to work on a Public or extra bank holiday on their rest day shall be paid at double time for all hours worked and will, in addition, receive a day's leave in lieu of each day.
SICK PAY SCHEME	
<ul style="list-style-type: none"> • Chief Executive (JNC) • Chief Officers (JNC) • NJC • Soulbury • Youth & Community Workers 	<p>During 1st year of service – 1 month's full pay and (after completing 4 months service), 2 months half pay.</p> <p>During 2nd year of service – 2 months full pay and 2 months half pay.</p> <p>During 3rd year of service – 4 months full pay and 4 months half pay.</p> <p>During 4th and 5th year of service – 5 months full pay and 5 months half pay.</p> <p>After 5 years' service – 6 months full pay and 6 months half pay.</p>
PENSION PAYMENTS	
<ul style="list-style-type: none"> • Chief Executive (JNC) • Chief Officers (JNC) • NJC • Soulbury • Youth & Community Workers 	All employees are eligible to pay into the Local Government Pension Scheme (LGPS). The rate of contributions employees and employers contribute is based on pensionable earnings. The scheme administrator confirms the pay bands and contribution rates on an annual basis.

Appendix F

CAERPHILLY COUNTY BOROUGH COUNCIL - LOCAL ELECTION FEES

A) RETURNING OFFICERS FEE

For conducting the Election(s) giving the prescribed Notices, preparing and supplying Nomination papers, deciding on validity, appointing and remunerating staff, arranging and / or conducting the Poll, conducting the Count, declaring the result(s), making all necessary returns and generally performing all the duties which a Returning Officer is required to do under the Representation of the People Acts and Regulations – including all payments, disbursements and expenses as may be necessary.

1) <u>CONTESTED ELECTIONS</u>	1/4/2024
For each Electoral Division / Community Ward	£
For each 1000 Electors (or part)	99.32
For next 1000 Electors (or part)	56.49
For every subsequent 250 Electors (or part)	19.09
 2) <u>UNCONTESTED ELECTIONS</u>	
For each uncontested Division / Ward	89.57
 3) <u>POSTAL VOTES – (Supervision)*</u> to be paid to DRO and or Asst. DRO's	
*NB – in this event no fee should be claimed by the DRO or Asst. DRO's from the clerical fund for these duties.	
Issue (for each paper)	0.40p
<i>(minimum per Division / Ward)</i>	<i>(30.02)</i>
<i>(minimum per casual vacancy)</i>	<i>(86.95)</i>
Receipt (for each paper)	0.40p
<i>(minimum per Division / Ward)</i>	<i>(30.02)</i>
<i>(minimum per casual vacancy)</i>	<i>(86.95)</i>
 4) <u>POLL CARDS (Supervision)*</u> to be paid to DRO and or Asst. DRO as above	
Per 1000 or part issued	36.39
<i>(minimum per casual vacancy)</i>	<i>51.94</i>

Gadewir y dudalen hon yn wag yn fwriadol



COUNCIL – 27TH FEBRUARY 2024

SUBJECT: COUNCIL TAX REDUCTION SCHEME 2024/25

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

1.1 To seek Council approval of the Council Tax Reduction Scheme for the 2024/25 financial year.

2. SUMMARY

2.1 The report recommends continuing to operate a Council Tax Reduction Scheme for the 2024/25 financial year on the same basis as the scheme used in 2023/24.

3. RECOMMENDATION

3.1 It is recommended that the current Council Tax Reduction Scheme should continue for the 2024/25 financial year along with the previously agreed local discretions.

4. REASONS FOR THE RECOMMENDATION

4.1 Council is required annually to adopt a Council Tax Reduction Scheme and local discretions.

5. THE REPORT

5.1 Members will recall that Council Tax Benefit was abolished in April 2013 and replaced by the Council Tax Reduction Scheme.

5.2 On the 29th January 2013, Council adopted the Council Tax Reduction Scheme for 2013/14 in accordance with the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012. The Welsh Government put a sunset clause in those regulations which meant that they became invalid after the 31st March 2014.

5.3 On the 28th January 2014, Council adopted a Council Tax Reduction Scheme for 2014/15 (its local scheme) in accordance with the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2014. These regulations prescribe the main features of the scheme to be adopted by all Councils in Wales and allow for some limited local discretions. The scheme provides for claimants to receive a reduction of up to 100% of their Council Tax bill in certain circumstances. The same arrangements have since been adopted by the Council on an annual basis.

- 5.4 The Council is required to formally approve a Council Tax Reduction Scheme on an annual basis. The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2024 have now been agreed and these apply in relation to a Council Tax Reduction Scheme made for a financial year beginning on or after the 1st April 2024.
- 5.5 The regulations uprate certain figures used to calculate an applicant's entitlement to a reduction under a Council Tax Reduction Scheme, and the subsequent level of reduction. They also make consequential amendments as a result of changes to the wider welfare system.
- 5.6 As the 2024 regulations do not contain any significant changes for claimants, it is proposed that the Council continues its local scheme in line with the regulations as recently amended for the financial year 2024/25, effective from the 1st April 2024, and continues to exercise the previously approved local discretions as provided for within Part 5 of the Prescribed Requirements Regulations: -

Discretion	Discretion to be adopted by CCBC
The ability to increase the standard extended reduction period of 4 weeks given to persons who have ceased to receive qualifying benefits after they return to work, where they have previously been receiving a Council Tax reduction that is to end as a result of their return to work.	<p><u>Pensioners</u> The standard period of 4 weeks specified in paragraph (33) Schedule 1 will apply, and</p> <p><u>Non-Pensioners</u> The standard period of 4 weeks specified in paragraphs (35) and (40) Schedule 6 will apply.</p>
The ability to backdate the application of Council Tax reduction for periods longer than the new standard period of 3 months before the claim is made.	<p><u>Pensioners</u> The standard period of 3 months specified in paragraph (3) Schedule 13 will apply, and</p> <p><u>Non-Pensioners</u> The standard period of 3 months specified in paragraph (4) Schedule 13 will apply.</p>
Discretion to disregard more than the statutory weekly amount of £10 of income received in respect of War Disablement Pensions and War Widow's Pensions (disregarded when calculating the income of the applicant).	<p><u>Pensioners</u> The total value of any pension specified in paragraphs 1(a) and 1(b) Schedule 4 will be disregarded, and</p> <p><u>Non-Pensioners</u> The total value of any pension specified in paragraphs 20(a) and 20(b) Schedule 9 will be disregarded.</p>
Discretion to provide more than the minimum information prescribed in the Prescribed Requirements Regulations when issuing notification of decisions of an award of Council Tax Reduction.	To supplement the minimum requirements specified in the Prescribed Requirements Regulations, where appropriate.

6. ASSUMPTIONS

- 6.1 There are no assumptions within this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The payment of Council Tax Reduction is a key element of the Council's anti-poverty strategy and a significant source of funding.
- 7.2 The revenue raised through Council Tax supports effective financial planning which is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.
- 7.3 An Equalities Impact Assessment has previously been carried out for the Council Tax Reduction Scheme. As the proposed Scheme for 2024/25 has no material changes from previous years, an Integrated Impact Assessment will not be required at this time.

8. FINANCIAL IMPLICATIONS

- 8.1 Funding for the Council Tax Reduction Scheme was transferred into the Revenue Support Grant (RSG) in the 2013/14 financial year.
- 8.2 The Welsh Government has confirmed its commitment to a funded Council Tax Reduction Scheme to the 31st March 2025.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no direct personnel implications arising from this report.

10. CONSULTATIONS

- 10.1 There are no consultation responses that have not been reflected in this report.

11. STATUTORY POWER

- 11.1 Local Government Finance Act 1992 and regulations made under the Act.
- 11.2 Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012 and the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) Regulations 2014 (as amended).

Author: Stephen Harris, Head of Financial Services and S151 Officer
Tel: 01443 863066 E-mail: harrisr@caerphilly.gov.uk

Consultees: Dave Street, Deputy Chief Executive
Amanda Main, Housing and Council Tax Benefits Manager
Rob Tranter, Head of Legal Services and Monitoring Officer
Richard (Ed) Edmunds, Corporate Director for Education and Corporate Services

Background Papers: -

- [Council Report 29th January 2013 – Adoption of a Council Tax Reduction Scheme.](#)
- [Council Report 28th January 2014 – Council Tax Reduction Scheme 2014/15.](#)

Gadewir y dudalen hon yn wag yn fwriadol



COUNCIL – 27TH FEBRUARY 2024

SUBJECT: CAPITAL STRATEGY REPORT 2024/2025

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To submit for approval the Authority's Capital Strategy report for the 2024/25 financial year in accordance with the Prudential Code that was introduced by the Local Government Act 2003.
- 1.2 The report cross-references to the report by the Deputy Chief Executive on Revenue and Capital Budgets ["the budget report"]; and the Treasury Management Annual Strategy, Capital Finance Prudential Indicators and Minimum Revenue Provision Policy Report for 2024/2025.

2. SUMMARY

- 2.1 The Capital Strategy outlines the principles and framework at the very high level that shape the Authority's capital investment proposals. The principal aim is to deliver an affordable programme of capital consistent with the financial strategy that contributes to the achievement of the Council's priorities and objectives as set out in the Authority's Corporate Plan; consider associated risks; recognise financial constraints over the longer term; and represent value for money.
- 2.2 The Strategy defines at the highest level how the capital programme decision making identifies the issues and options that influence capital spending and sets out how the resources and capital programme will be managed. In addition, the Capital Strategy should comply with the Prudential Code for local authority capital investment introduced through the Local Government Act 2003. The key objectives of the Code are to ensure that capital investment plans are affordable, prudent, and sustainable.
- 2.3 The Capital Strategy sets out the framework for capital investment decisions. The strategy for funding this investment is underpinned by the Prudential Code for Local Authority investment, which was introduced by The Local Government Act 2003. The Prudential Code has the following key objectives:
 - That capital investment plans are affordable, prudent, and sustainable;
 - That treasury management decisions are taken in accordance with good professional practice;
 - That local strategic planning, asset management and proper option appraisal are supported.

3. RECOMMENDATIONS

3.1 That the annual Capital Strategy Report be approved.

4. REASONS FOR THE RECOMMENDATIONS

4.1 The Annual Capital Strategy report is a requirement of the CIPFA's Prudential Code.

4.2 The Prudential Code was first introduced through the Local Government Act 2003. Authorities are required by regulation to have regard to the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003.

5. THE REPORT

5.1 Corporate Priorities

5.1.1 Underlying the capital strategy is the recognition that the financial resources available to meet corporate and departmental priorities are constrained in the current economic climate. Therefore, the Authority must rely more on internal resources and seek ways in which investment decisions can be no less than self-sustaining or generate positive returns both in terms of meeting corporate objectives and producing revenue savings.

5.1.2 The Authority's corporate priorities and well-being objectives are set out in its Corporate Plan, which is published on the Council's website:

corporate-plan-2023-28.aspx (caerphilly.gov.uk)

5.2 Capital Expenditure and Financing

5.2.1 Capital expenditure is defined as costs incurred by the Authority in acquiring new property, plant, and equipment (PPE) that will be used for more than one year; or costs incurred by enhancing the existing PPE asset base. Capital expenditure can also be incurred in instances where the asset is owned by a third party, but the Authority has provided the third party with a loan or grant. In such instances the expenditure is recorded as if incurred directly by the Authority.

5.2.2 In accordance with accounting definitions, expenditure can be capitalised when it relates to:

- The acquisition or creation of a new fixed asset - capitalisation will depend on the creation of rights to future economic benefits controlled by the Authority;
- The enhancement of an existing fixed asset - capitalisation will depend on the works substantially increasing the value of the asset, extending its useful life, or increasing its use in service provision.

5.2.3 The Authority has a de-minimus limit for capital expenditure of £10k. Capital expenditure that is below this de-minimus limit, irrespective of meeting the definition set out in paragraph 5.2.2, is charged to a revenue budget with the exception being the purchase of vehicles which are always capitalised.

5.2.4 The Authority's core capital programme is approved by Council annually as part of the Budget Report and is funded from the General Capital Grant and Supported Borrowing Approvals.

Both of these funding streams are confirmed annually by Welsh government as part of the Local Government Financial Settlement. The wider programme includes a range of other funding sources as detailed in paragraph 5.2.7.

5.2.5 The Authority's three year capital programme from 2024/25 is summarised below:

	2024/25 budget	2025/26 budget	2026/27 budget
	£m	£m	£m
Corporate Services	1.697	3.139	3.069
Education and Lifelong Learning	48.570	16.183	4.651
Community and Leisure Services	15.073	17.897	0.230
Business Enterprise & Renewal Team	12.822	0.983	0.098
Infrastructure	4.671	2.572	2.572
Public Protection	0.866	0.493	0.493
Property Services	0.690	0.690	0.690
Social Services	0.340	0.340	0.340
Private Housing	2.167	2.167	2.167
Total Council Fund	86.896	44.464	14.310
Housing Revenue Account	84.133	64.957	25.087
TOTAL	171.029	109.421	39.397

Table 1: Prudential Indicator: Estimates of Capital Expenditure

5.2.6 Further details of the 2024/25 – 2026/27 capital programme can be found attached at Appendix 1 which details the individual schemes.

5.2.7 The Authority's capital programme is funded from the Welsh Government (WG) Capital Grant, WG Supported borrowing; external grants and contributions; section 106 funding; and virement of revenue budgets (revenue contribution to capital outlay {RCCO}) as summarised in the table below: -

	2024/25 budget	2025/26 budget	2026/27 budget
	£m	£m	£m
WG Core Grant	4.919	4.919	4.919
Supported Borrowing	4.790	4.790	4.790
Grant Income	72.212	45.557	24.493
Reserves	25.743	12.618	1.098
HRA Borrowing	31.500	24.200	0.000
RCCO	31.796	17.337	4.097
Other	0.069	0.000	0.000

TOTAL	171.029	109.421	39.397
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- 5.2.8 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not get subsidised, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded and funded separately and includes building 432 affordable homes between 2023/4 and 2026/27, and the implementation of the Post Asset Management Programme which is designed to maintain the Council Housing Stock to the WHQS standard over the next 30 years.
- 5.2.9 The HRA Budget is an indicative figure, and the final budget will be as per the HRA Business Plan 2024/25 which will be approved by full Council prior to the 31st March 2024.
- 5.2.10 **Governance:** The core capital budget is approved annually by Full Council as part of the revenue budget setting process. For the 2024/25 financial year and going forward, all additional in-year requests for capital funding will go via the Placeshaping Board who will meet on a monthly basis. The board comprises representatives from all Service areas alongside representatives from Property and Finance. A business case is required to be completed for all requests for capital funding and submitted to the Board. The Business case report will need to include the following:
- A link to Corporate Priorities and how the capital project would seek to fulfil such priorities;
 - Full option appraisal of the project to demonstrate value for money, that sources of funding are clearly identified, and that any revenue implications are considered;
 - That capital investment plans are affordable, prudent, and sustainable;
 - Where prudential borrowing is considered that treasury management decisions are taken in accordance with good professional practice;
 - That local strategic planning and asset management plans are supported.

Cabinet Reports will be required for all schemes that are approved by the Placeshaping Board prior to the commencement of the capital scheme.

Capital projects that require prudential borrowing will need a decision by full Council.

The Placeshaping Board will review monthly the progress of capital projects to ensure there is a robust mechanism in place to identify any slippage in the capital programme, funding shortfalls or underspends.

- 5.2.11 All capital expenditure must be financed, either from external sources (government grants and other contributions); the Authority's own resources (revenue contribution, reserves, and capital receipts); or debt (borrowing {supported and unsupported}; leasing; and Private Finance Initiative).
- 5.2.12 Debt (including leases) is a source of finance that can be used to fund a capital scheme. However, debt is repayable over time. The Authority sets aside a Minimum Revenue Provision (MRP) every year for the repayment of existing debt. MRP forms part of the debt management budget and is monitored by Corporate Finance. As part of the annual Treasury Management Strategy, which is approved by Full Council in February (along with the Revenue Budget and the Capital Programme), a MRP statement is presented as an appendix to the Strategy which sets out the MRP Policy that is to be adopted by the Authority at the start of the new financial year. The full MRP statement is set out in Appendix 8 of the Treasury Management Annual Strategy.
- 5.2.13 The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Authority's estimated CFR is set out in Appendix 6 of the Treasury Management Annual Strategy.

5.3 Asset management

5.3.1 Asset management is about using assets (property, plant & equipment) to deliver value and achieve the organisation's business objectives. To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place.

5.3.2 The Authority's asset management strategy can be found on its website:

<https://www.caerphilly.gov.uk/My-Council/Strategies,-plans-and-policies/Corporate-strategies,-plans-and-policies/Corporate-Asset-Management-Strategy>

5.3.3 As at 31st March 2022 the Authority's fixed assets (property, plant, and equipment) had a net book value of £1.241bn. The net book valuation is an accounting valuation, which does not translate to market value. Further details can be found in Note 24 to the Authority's 2021/22 Statement of Accounts:

[financial-accounts-2022.aspx \(caerphilly.gov.uk\)](https://www.caerphilly.gov.uk/financial-accounts-2022.aspx)

The 2022/23 accounts are currently being audited.

5.3.4 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on acquiring new assets; enhancing the existing asset base; or to repay debt. Repayments of capital grants and loans also generate capital receipts.

5.4 Treasury Management

5.4.1 The Chartered Institute of Public Finance & Accountancy (CIPFA) defines treasury management as "The management of the organisation's borrowing; investments and cash flows; its banking; money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

5.4.2 Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. Investment balances tend to be high at the start of the financial year as revenue income is received before it is spent but reduce in the long-term as capital expenditure is incurred before being financed.

5.4.3 Due to decisions taken in the past, the Authority currently has £307.1m nominal debt outstanding as at 31 March 2023, at an average interest rate of 4.36% and £164.0m nominal treasury investments at an average income rate of return of 2.89%.

5.4.4 The Annual Treasury Management Strategy is approved by Full Council every February and sets out the Authority's Borrowing Strategy; Investment Strategy; and respective prudential indicators.

5.5 Investments for Service Purposes

5.5.1 The Authority provides capital grants to local businesses and the voluntary sector for the purpose of economic regeneration (Caerphilly Enterprise Fund – 2024/25 core capital budget of £80k). Such grants are awarded on application and criteria basis.

5.5.2 **Governance:** Decisions to award local businesses and the voluntary sector capital grants are undertaken by the relevant Service Manager in consultation with the Head of Service. The Caerphilly Enterprise Fund grant applications are assessed by the Business Enterprise & Renewal Team, the Cabinet Member for Finance & Performance, and a Grant Officer from

Corporate Finance. The final decision to award is undertaken by the Head of Regeneration and Planning. In either case the award decision is posted on the intranet.

5.5.3 The decision to make a loan or to purchase share capital will be referred to the Head of Financial Services and S151 Officer, who will in turn make a recommendation to Cabinet and Full Council once an appraisal exercise has been undertaken. The decision to award will need to be funded from the capital programme and will be subject to a robust business case in the first instance.

5.6 **Commercial Activities**

5.6.1 A number of local authorities in England have invested in commercial property, in order to generate enhanced treasury returns above the rate of inflation. The returns generated from this type of investment are supporting revenue budgets in an environment when central government revenue support funding in real terms has been declining year on year.

5.6.2 In the event of the Authority purchasing a commercial investment, the Authority may seek to finance the purchase through borrowing, (for debt to yield purchases the Authority will not be able to borrow from the PWLB). In any such case arising the Authority will prepare a detailed report for Council that includes a full option appraisal and risk assessment of the investment. The report will highlight the rationale for the commercial investment.

5.6.3 With financial return being the main objective, the Authority would accept higher risk on a commercial investment than with treasury investments. The principal risk exposures include a decline in the property market; volatility in the capital value of property; capital being tied up in the medium/long-term horizon and active management of properties when purchased directly.

5.6.4 In recognition of the risks stipulated in the above paragraph, the Authority will adopt a policy whereas any surplus generated over and above the amount required to support the base budget and frontline services will be ringfenced in an earmarked reserve to offset any fall in capital values or capital income; or fund any other associated cost. Periodic reviews will take place at least once a year to review this policy. The Head of Financial Services and S151 Officer would recommend changes to the policy, if appropriate, at any time by way of a report to Cabinet.

5.6.5 **Governance:** Treasury management decisions on commercial investments are made in accordance with the approved Treasury management Strategy. Non treasury investments will be referred to the Head of Financial Services and S151 Officer and the Corporate Management Team to consider with further referral to Cabinet and Full Council for the final decision. Monitoring of the commercial investments (treasury management related) will be included within the treasury management monitoring reports (or other Council reports) that are presented to the Corporate & Regeneration Scrutiny Committee. Non-treasury management commercial investments will be reported separately by the Head of Financial Services and S151 Officer.

5.6.6 The Authority will seek expert independent and external advice whenever a commercial investment opportunity arises prior to investing. Legal advice will also be sought from within the Authority, and where necessary externally.

5.7 **Revenue Budget Implications**

5.7.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP repayments are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants. This identifies the proportion of the revenue budget required to meet borrowing costs.

5.7.2 Further details on the revenue implications of capital expenditure are set in Appendix 6 of the Treasury Management Annual Strategy, Capital Finance Prudential Indicators and Minimum Revenue Provision Policy report for 2024/2025.

5.7.3 **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years.

5.8 Knowledge and Skills

5.8.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

5.8.2 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

5.8.3 The Council will employ, where necessary, consultants and other professional experts to advise upon technical issues relating to non-treasury management commercial investments.

5.8.4 **Training:** Key relevant staff will undertake training as and when opportunities arise or whenever there are changes in regulations. The contract for Treasury Consultancy Services includes requirements for Member and Officer training to be provided during any year. Officers will look to schedule treasury management training for Members for Spring 2024. Further Member training will be undertaken as and when required.

6. ASSUMPTIONS

6.1 The details set out in the report are based on information collected from Heads of Service for the delivery of capital works.

6.2 It has been assumed that the Authority will fund a proportion of its capital programme through supported borrowing.

6.3 It has been assumed that the HRA's borrowing needs are based on the current Business Plan at the time of writing this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 The Capital Strategy report is a requirement of the CIPFA's Prudential code and provides a high-level framework in which the Council can operate. This does not impact on any individuals or any protected characteristic groups and as a result an Integrated Impact Assessment is not required.

8. FINANCIAL IMPLICATIONS

8.1 As detailed throughout report.

9. PERSONNEL IMPLICATIONS

9.1 There are no personnel implications.

10. CONSULTATION

10.1 The report was presented to the Corporate and Regeneration Scrutiny Committee on 20 February 2024 and having considered the content of the report the capital strategy was unanimously endorsed.

10.2 No external consultation is required for the purposes of the report. However, advice has been sought from the Authority's current Treasury Management Adviser.

11. STATUTORY POWER

11.1 Local Government Act 1972

Author: Rhiann Williams – Group Accountant -Treasury Management and Capital

Consultees: Richard Edmunds – Corporate Director of Education and Corporate Services
Dave Street, Deputy Chief Executive
Stephen Harris – Head of Financial Services and S151 Officer
Leanne Sykes – Deputy S151 Officer
Andrew Southcombe – Finance Manager, Corporate Finance
Robert Tranter – Head of Legal Services and Monitoring Officer
Cllr E. Stenner – Cabinet Member for Finance and Performance

Appendices:

Appendix 1 - Capital Programme 2024/25 - 2026/27

Service Area	Project Name	2024/25	2025/26	2026/27
BERT	Car Park Pontymister	163,742		
BERT	Caerphilly Castle Coach Pull-In	258,978		
BERT	Town Centre Improvements	18,000	18,000	18,000
BERT	Navigation Colliery Site Regeneration	8,859		
BERT	Cwm Ifor Solar Farm	1,037,301		
BERT	Caerphilly Enterprise Fund	80,000	80,000	80,000
CLS	Cemeteries	274,473		
CLS	Sport Pitches	90,481	30,000	30,000
CLS	Environmental Schemes	200,000	200,000	200,000
CLS	Caerphilly Wellbeing Centre	14,003,432	17,667,040	
CLS	Playgrounds	504,370		
CORPORATE SERVICES	IT Hardware & Software	200,000	200,000	200,000
EDUCATION	Trinity Fields School	9,300,000	3,919,082	
EDUCATION	Centre For Vulnerable Learners	13,428,111		
EDUCATION	Llanfabon Primary	3,626,454		
EDUCATION	Plasyfelin Primary	8,841,675		
EDUCATION	Ysgol Y Llawnt/ Upper Rhymney School	3,534,791	10,841,712	3,228,637
EDUCATION	Health & Safety Works	321,000	321,000	321,000
EDUCATION	Basic Needs Accommodation	250,000	250,000	250,000
EDUCATION	School Security	101,000	101,000	101,000
EDUCATION	Asset Management	550,000	550,000	550,000
EDUCATION	School Boiler Replacement Programme	200,000	200,000	200,000
EDUCATION	Education Capital Grant	2,714,674		
EDUCATION	ALN Capital Grant	801,575		
EDUCATION	Schools To Community Grant	284,193		
EDUCATION	Virginia Park	375,000		
EDUCATION	Ysgol Trelyn Demountable	120,000		
EDUCATION	Total Childcare/Welsh Grant for 24-25	3,551,679		
EDUCATION	Glanynant	270,000		
EDUCATION	Crumlin Junction	300,000		
INFRASTRUCTURE	Infrastructure Retaining Walls	314,000	314,000	314,000
INFRASTRUCTURE	Lower RV Relief Rd	193,819		
INFRASTRUCTURE	Street Lighting - East	50,000	50,000	50,000
INFRASTRUCTURE	Design Budget	40,000	40,000	40,000
INFRASTRUCTURE	Major Highway Reconstruction	739,000	739,000	739,000
INFRASTRUCTURE	Bridge Strengthening	441,000	441,000	441,000
INFRASTRUCTURE	Caerphilly Interchange	1,076,314		
INFRASTRUCTURE	Land Drainage- Corporate	123,000	123,000	123,000
INFRASTRUCTURE	Land Drainage	123,000	123,000	123,000
INFRASTRUCTURE	Vehicle Restraint System	148,000	148,000	148,000
INFRASTRUCTURE	Tips & Mines	246,000	246,000	246,000
INFRASTRUCTURE	Monmouth & Brecon Canal.	200,000	200,000	200,000
INFRASTRUCTURE	Troedyrhiwfwch	829,320		
INFRASTRUCTURE	Footway Resurfacing	148,000	148,000	148,000
PLACEMAKING	Caerphilly Workingmen's Hall	73,748		
PLACEMAKING	Pentrebane Street Redevelopment	2,054,005		
PLACEMAKING	Leisure Quarter Acquisition	3,750,000	884,897	
PRIVATE HOUSING	Disabled Facility Grants	1,133,000	1,133,000	1,133,000
PRIVATE HOUSING	Miscellaneous & Renewal Area	246,000	246,000	246,000
PRIVATE HOUSING	Home Repair Grant	788,000	788,000	788,000
PROPERTY	Corporate Asset Management	690,000	690,000	690,000
PUBLIC PROTECTION	Electric Vehicle Charge Point	372,680		
PUBLIC PROTECTION	CCTV Replacement	74,000	74,000	74,000
PUBLIC PROTECTION	Kitchen Refurbishments	419,000	419,000	419,000
SOCIAL SERVICES	Minor Works	340,000	340,000	340,000
UKSPF	W1 Town Centre Improvements	698,880		
UKSPF	W2 Neighbourhood Projects	149,760		
UKSPF	W3 Local Green Spaces	4,992		
UKSPF	W4 Culture and Heritage Support	399,360		
UKSPF	W5 Landscaped Environment	159,744		

Service Area	Project Name	2024/25	2025/26	2026/27
UKSPF	W9 Volunteering Projects	39,936		
UKSPF	W10 Local Sport Funding	297,523		
UKSPF	W11 Community Capacity	49,920		
UKSPF	W13 Cost Of Living Measures	299,520		
UKSPF	W16 Open Market Business Support	1,148,160		
UKSPF	W17 Visitor Economy	174,719		
UKSPF	W22 R&D Innovation	1,597,440		
UKSPF	W23 Enterprise Projects	97,450		
UKSPF	W29 Decarbonisation	249,600		
UKSPF	W34 Employment Support Economically Inactive	10,592		
	Unallocated Core Budget	1,497,000	2,939,000	2,869,000
	HRA As Per 23/24 Business Plan	84,133,000	64,957,000	25,087,000
TOTAL CAPITAL BUDGET		171,029,270	109,420,731	39,396,637
Funded by				
	WG Core Grant	4,919,000	4,919,000	4,919,000
	Supported Borrowing	4,790,000	4,790,000	4,790,000
	Grant Income	72,211,517	45,557,065	24,492,900
	Reserves	25,743,413	12,617,666	1,097,737
	HRA Borrowing	31,500,000	24,200,000	-
	RCCO	31,796,000	17,337,000	4,097,000
	Other	69,340		
TOTAL FUNDNG		171,029,270.00	109,420,731.00	39,396,637.00



COUNCIL – 27TH FEBRUARY 2024

SUBJECT: TREASURY MANAGEMENT ANNUAL STRATEGY, CAPITAL FINANCE PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY FOR 2024/2025

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To submit for approval the Authority's Annual Strategy for Treasury Management.
- 1.2 To submit for approval a dataset of Prudential Indicators relevant to Treasury Management and Capital Finance. The report also cross-references to the report by the Deputy Chief Executive on Revenue and Capital Budgets ["the budget report"] also considered in this meeting.
- 1.3 To seek approval of the Minimum Revenue Provision (MRP) policy to be adopted by the Authority for 2024/2025.

2. SUMMARY

- 2.1 The revised (2021) "Code of Practice for Treasury Management in the Public Services" provides that an Annual Strategy be submitted to Members on or before the start of a financial year to outline the activities planned within the parameters of the Treasury Management Policy Statement and the Treasury Management Practices.
- 2.2 The Local Government Act 2003 (the '2003 Act') also requires the Authority to set out its Treasury Management Strategy for borrowing for the forthcoming year and to prepare an Annual Investment Strategy, which sets out the policies for managing its investments, giving priority to the security and liquidity of those investments.
- 2.3 Under Section 15 of the '2003 Act', the Welsh Government (WG) issued guidance on local government investments which is incorporated within the report. Definitions of Local Government investments are given in **Appendix 1**.
- 2.4 Under the provisions of the Local Government Act 2003, The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 and subsequent amendments [The Capital Regulations], and the CIPFA's "The Prudential Code for Capital Finance in Local Authorities" [the Code], the Authority is obliged to approve and publish a number of indicators relevant to Capital Finance and Treasury Management.

2.5 With effect from 1st April 2008, WG introduced the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 [the “Amendment Regulations”] which requires the Authority to prepare an Annual Minimum Revenue Provision Policy Statement. This report sets out what the Authority needs to do in order to comply with this requirement.

3. RECOMMENDATIONS

3.1 That the Annual Strategy for Treasury Management 2024/25 be approved.

3.2 That the strategy be reviewed quarterly within the Treasury Management monitoring reports presented to the Corporate and Regeneration Scrutiny Committee and any changes recommended be referred to Cabinet, in the first instance, and to Council for a decision. The Authority will also prepare quarterly reports on Treasury Management activities

3.3 That the Prudential Indicators for Treasury Management be approved as per Appendix 5.

3.4 That the Prudential Indicators for Capital Financing be approved as per Appendices 6 & 7.

3.5 That Members adopt the MRP policy as set out in Appendix 8.

3.6 The continuation of the 2023/24 investment strategy and the lending to financial institutions and Corporates in accordance with the minimum credit rating criteria disclosed within this report.

3.7 That the Authority continues to adopt the investment grade scale as a minimum credit rating criterion to assess the credit worthiness of suitable counterparties when placing investments.

3.8 That the Authority adopts the monetary and investment duration limits as set out in Appendix 3 of the report.

4. REASONS FOR THE RECOMMENDATIONS

4.1 The Annual Strategy report is a requirement of the CIPFA “Code of Practice for Treasury Management in the Public Services”.

4.2 The Investment Strategy is a requirement of the Local Government Act 2003.

4.3 To comply with the legislative framework and requirements as indicated in paragraphs 2.1 to 2.5.

5. THE TREASURY MANAGEMENT REPORT

5.1 Economic Background

5.1.1 The Authority uses Arlingclose Limited as its Treasury Management Adviser and part of their service is to assist the Authority to formulate a view on interest rates and the Economic Outlook.

- 5.1.2 The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25.
- 5.1.3 The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In February 2024, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%.
- 5.1.4 The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with upside risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.
- 5.1.5 Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.
- 5.1.6 ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.
- 5.1.7 The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong, but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.
- 5.1.8 Although UK inflation and wage growth remain elevated, the Authority's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early mid-2026.
- 5.1.9 Arlingclose expects long-term gilt yields to be broadly stable at current levels (amid continued volatility), following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

5.1.10 Arlingclose interest rate forecasts are shown in **Appendix 2**.

5.2 Credit Outlook

- 5.2.1 Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.
- 5.2.2 Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.
- 5.2.3 Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.
- 5.2.4 There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.
- 5.2.5 However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

5.3 External Debt - Capital Borrowings and Borrowing Portfolio Strategy

- 5.3.1 The Authority's primary objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 5.3.2 Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short term interest rates are currently at a 15-year high but are expected to fall in the coming years and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 5.3.3 As at the 31st December 2023, the authority holds £310m of external debt comprising of £241.3m PWLB loans, £30m market loans (LOBO's), £10m bank loan, £25.9m WG loans and a £2.8m Salix Energy Finance Loan. The anticipated borrowing requirement for 24-25 as per Appendix 7 is £36.79m comprising of £31.5m for HRA and £4.790m for General Fund. The actual need to borrow will be affected by the actual spend within the capital programme and the use of reserves. Should there be slippage in either the capital programme expenditure and/or

the use of reserves, the need to borrow will also be delayed.

- 5.3.4 For 2024/25, it is planned that all borrowing requirements will be internally borrowed however both the operational limit and authorised limit have been set to allow for external borrowing to take place if required.

The HRA currently has a borrowing cap of £100m which was approved last year. The 2024/25 HRA Business Plan will be reported to members for approval prior to being submitted to the Welsh Government by the 31st March 2024.

- 5.3.5 Whilst PWLB interest rates have been included in Appendix 2, it is possible that loans may be taken from other sources if interest rates are more advantageous.

- 5.3.6 Any short-term funding would need to be in line with the 'Upper Limit for Variable Rates' as defined in the prudential indicators in **Appendix 5** (30% of Net Debt Outstanding) within the CIPFA "Prudential Code for Capital Expenditure in Local Government".

- 5.3.7 Officers, in conjunction with the Treasury Management Adviser, will continue to monitor both the prevailing rates and the market forecasts, responding to changes when necessary. The following borrowing sources will be considered by the Authority to fund short-term and long-term borrowing (and in no particular order):

- Internal reserves
- Public Works Loan Board (PWLB)
- UK Infrastructure Bank
- Capital market bond investors
- Other commercial and not for profit sources
- Any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds
- UK Municipal Bonds Agency and other special purpose companies created to enable local authority bond issues
- Any counterparty approved for investments

- 5.3.8 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

- 5.3.9 The Authority may borrow short-term loans (up to twelve months) to cover unexpected cashflow shortages.

- 5.3.10 The Authority may arrange forward starting loans during 2024/25, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period as well as mitigate against the risk of rising borrowing interest rates.

5.3.11 **Municipal Bond Agency:** The UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

5.4 Authorised Limit for External Debt (The Authorised Limit)

5.4.1 As a consequence of 5.3.1 to 5.3.11 above, the Authorised Limit will be the upper limit of the Authority's borrowing, based on a realistic assessment of risks. It will be established at a level that will allow the Authority to borrow sums, in excess of those needed for normal capital expenditure purposes in the event that an exceptional situation arises and would allow for take-up of supported borrowing. It is not a limit that the Authority would expect to borrow up to on a regular basis.

5.4.2 The limit will include borrowing and other long-term liabilities such as leases, private finance schemes and deferred purchase schemes.

5.5 The Operational Boundary

5.5.1 This is based on the maximum level of external debt anticipated to be outstanding at any time in each year. It will be consistent with the assumptions made in calculating the borrowing requirements of the capital programme, but will also include an estimate of any borrowing for short term purposes, such as temporary shortfalls in incomes or to support active treasury management which would seek to take advantage of beneficial interest rate movements. It also allows for other long-term liabilities such as leases, private finance schemes and deferred purchase schemes.

5.5.2 The Operational Boundary should be set at a level which allows some flexibility but should be sufficiently below the Authorised Limit so that any breach of the operational boundary provides an early warning indicator of a potential breach of the Authorised Limit, allowing corrective action to be taken.

5.6 Interest Rate Exposure

5.6.1 The Authority's borrowing policy makes use of both fixed and variable rate opportunities. Whilst fixed rate borrowing and investment provides certainty with regard to future interest rate fluctuations, the flexibility gained by the use of variable interest rate instruments can aid performance. It allows the Treasury Manager to respond more quickly to changes in the market and to short term fluctuations in cash flow without incurring the penalties that would result from the recall of fixed rate investments.

5.7 Maturity Structure of Borrowing

5.7.1 Whilst the periods of loans are dictated by the interest rates prevalent at the time, it is important to be mindful of the maturity profile of outstanding debt. Large 'peaks' are to be avoided, as it is possible for substantial loans to reach maturity at times when prevailing interest rates are high,

and conversely, when interest rates are low, windows of opportunity may be lost.

- 5.7.2 As a result, it is necessary to determine both an upper and lower limit for borrowings which will mature in any one year.
- 5.7.3 Over the course of the medium-term financial plan and future years, a number of high interest rate PWLB loans will mature resulting in a saving to the Authority as the interest rate on replacement loans are likely to be lower in comparison.
- 5.7.4 Historically, the Authority has favoured PWLB loans with a twenty-five year loan maturity profile, however the Authority will also consider shorter dated loans (including local authority borrowing) to fund capital expenditure. Periods in excess of 25 years should also be considered in the event interest rates become advantageous.
- 5.7.5 The Authority holds £30m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £30m of these LOBOs have options during 2024/25, and with interest rates having risen recently, there is now a good chance that lenders will exercise their options. If they do, the Authority will discuss potential repayments with our treasury advisors on whether to take the option to repay LOBO loans to reduce refinancing risk in later years.

5.8 Gross Debt and the Capital Financing Requirement

- 5.8.1 A further requirement of the revised Prudential Code is to ensure that over the medium term debt will only be for a capital purpose, the Authority will ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

5.9 Debt Rescheduling

- 5.9.1 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to renegotiate premature redemption terms. The Authority may take advantage of this, where this is expected to lead to an overall cost saving or reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

5.10 Policy on Borrowing In advance of Need

- 5.10.1 Whilst the Authority is able to borrow in advance of need, it is a requirement of the Code that any instance of pre-funding must be supported by a clear business case setting out the reasons for such activity. The Authority will prepare a business case whenever there is need to borrow in advance of need.

5.11 Annual Investment Strategy

- 5.11.1 The CIPFA Code and the Welsh Government Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the

highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

- 5.11.2 **Current strategy (2023/24)** - At present the Authority lends to financial institutions, corporates and the UK Government using a range of financial instruments to diversify risk. These include unsecured corporate bonds; covered bonds (secured); fixed term deposits; certificate of deposits (CDs); T-Bills; the DMADF (DMO) money market funds and call accounts. The Authority has also invested in pooled funds (property funds; equity funds; multi-asset funds) and for the purpose of enhancing returns. Pooled funds will be held for minimum of five years to offset any premature exit costs. A lesser period would be considered only if it is cost neutral to the Authority.
- 5.11.3 **The 2024/25 Investment Strategy** will continue with the lending approach as set out in the 2023/24 Strategy.
- 5.11.4 This Strategy (2024/25), in line with the Welsh Government guidance, sets out the Authority's policies for (and in order of priority) the security, liquidity and yield of its investments. It will have regard to credit ratings and determine the periods for which funds may be prudently invested, whilst aiming to achieve, or better a target rate for investments of the base rate (currently 5.25%) Creditworthiness approach, investment periods and the rationale for the target rate are explained in **Appendix 3**. The Authority's objective when investing cash is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.11.5 The strategy sets out which investments the Authority may use for the prudent management of its balances during the financial year within the areas of 'specified' and 'non-specified' investments, and provides the appropriate authorisation for the in-house investment team to manage such investments. These are listed in **Appendix 4**.
- 5.11.6 The Authority will continue to diversify into more secure and/or higher yielding asset classes during 2024/25 in order to mitigate the risk stemming from regulations associated with Bank Bail-In; political uncertainty; and the risk of zero or negative Bank Rate. Short-term cash that is required for liquidity management will be deposited with local authorities (secured), Government securities (secured), money market funds (unsecured) and bank and building society investments (unsecured). Up to £60m will be made available for long-term investments.
- 5.11.7 In view of the ongoing volatility in the economy, and bank bail in risk, it is recommended that investments (both new and maturing) be placed with the most secure institutions as well as the most secure instruments (subject to liquidity requirements) as detailed in **Appendix 3**. Currently this would be AAA rated covered bonds, the Government (Debt Management Account Facility and Treasury Bills and Gilts), other Local Authorities and Public Bodies, such as Police and Fire Authorities, Repos, Registered Landlords, AAA Money Market Funds, and highly credit rated banks (subject to the creditworthiness limits referred to in the appendix 3). In light of Statutory and regulatory changes adopted by the Bank of England and Regulators with respect to Bail-In, it is recommended that the Authority moves away from unsecured lending (where possible and subject to liquidity requirements) to secured investments.
- 5.11.8 With respect to Repo agreements, Repo/Reverse Repo is accepted as a form of securitised lending and should be based on the GMRA 2000 (Global Master Repo Agreement). Should the counterparty not meet our senior unsecured rating then a 102% collateralisation would be required. The acceptable collateral can be anyone or combination of the following securities:

- Index linked Gilts
- Conventional Gilts
- UK Treasury bills
- DBV (Delivery By Value)
- Corporate bonds

5.11.9 The Welsh Government maintains that the borrowing of monies for the purposes of investing or on-lending to benefit from differences in interest rates is unlawful. This Authority will not engage in such activity.

5.11.10 Under the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2004 regulation 12(b), the acquisition of share or loan capital in any corporate body would not be defined as capital expenditure as long as it is an investment for the purposes of the prudent management of the Authority's financial affairs. Due to the high risk of capital loss involved with such instruments, this Authority will not engage in such activity.

5.11.11 A loan or grant to another body for capital expenditure by that body is also deemed by the 2003 Regulations to be capital expenditure by the Authority. This Authority will only engage in such activity with the approval of Council.

5.11.12 In the event that any existing investment appears to be at risk of loss, the Authority will make proper revenue provision of an appropriate amount in accordance with the relevant Accounting Regulations.

5.11.13 Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing. The Authority does not currently have an ESG policy which includes ESG scoring at an investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

5.11.14 At the end of the financial year, the Authority will prepare a report on its investment activity as part of its Annual Treasury Management Strategy Report. This report will be supported throughout the year by quarterly monitoring reports to the Corporate & Regeneration Scrutiny Committee (the responsible body for scrutiny of Treasury Management activities as required by the Code), which will include a review of the current strategy. A report to Council will also be prepared on a half-yearly basis.

5.11.15 It is a fundamental requirement of the Code that officers engaged in Treasury Management follow all Treasury Management policies and procedures and all activities must comply with the Annual Strategy.

5.11.16 The Welsh Government has reservations regarding borrowing in advance of need on the grounds that more money than is strictly necessary is likely to be put at risk in the investment market. As a result, Officers must report any investment made as a result of borrowing in advance and must set out the maximum period for which the funds can be prudently committed. In the event that this Authority decides to take up such borrowing, it is suggested that any deposit made with these funds be limited to a maturity period of up to twelve months and pro-rata to coincide with the profiling of capital expenditure.

5.12 Policy on Use of Financial Derivatives

- 5.12.1 The Localism Act 2011 includes a general power of competence that removes the uncertain legal position over English local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). Although this change does not apply to Wales, the latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the Annual Treasury Management Strategy.
- 5.12.2 In the absence of any legislative power, the Authority's policy is not to enter into standalone financial derivatives transactions such as swaps, forwards, futures, and options. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall risk management strategy.

5.13 Non-Treasury Investments

- 5.13.1 Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the WG Guidance, the Authority may also purchase property for investment purposes and may also make loans and investments for service purposes. Such loans and investments will be subject to the Authority's normal approval processes for revenue and capital expenditure and need not comply with this treasury management strategy. As a result of a change in PWLB terms, PWLB loans are no longer available to local authorities planning on buying investment assets primarily for yield.

5.14 Treasury Management Adviser

- 5.14.1 The Authority has appointed Arlingclose Limited as its external Treasury Management Adviser and receives a number of services including specific advice on investment, debt and capital finance issues; counterparty advice; economic forecasts and commentary; workshops, training and seminar events; and technical advice (including accountancy).

5.15 Treasury Management Training

- 5.15.1 The revised CIPFA Code, adopted by the Authority in January 2012, requires that Local Authorities must ensure that all staff and those Members with responsibility for Treasury Management receive the appropriate training. To this end the following will be observed:
- The contract for Treasury Consultancy Services includes requirements for Member and Officer training to be provided during any year.
 - Officers will attend any courses/seminars that are appropriate especially where new regulations are to be discussed.
 - Officers will update Members during the financial year by way of seminars/workshops/reports.
 - Officers will utilise online access to the CIPFA Treasury Forum and the CIPFA Technical Information Service.
 - Relevant staff are encouraged to study professional qualifications from CIPFA; the Association of Corporate Treasurers; and other relevant organisations.
- 5.15.2 Officers will look to schedule Member training for Spring 2024 Further training will be undertaken as and when required.

5.16 PRUDENTIAL INDICATORS

5.17 Capital Financing Requirement

5.17.1 The Capital Financing Requirement (CFR) measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, the authority does not associate borrowing with particular items or types of expenditure. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years.

5.17.2 The capital financing requirement is below the authorised borrowing limits in order to allow scope for short-term cash flow borrowing and provision for unforeseen contingencies.

5.17.3 The estimated values of Capital Financing Requirement for the period under review are shown in *Appendix 6* attached

5.18 Prudential Indicators – “Prudence”

5.18.1 The proposed Prudential Indicators for Treasury Management Strategy are detailed in *Appendix 5*.

5.19 Prudential Indicators – “Affordability” [Appendices 6 and 7]

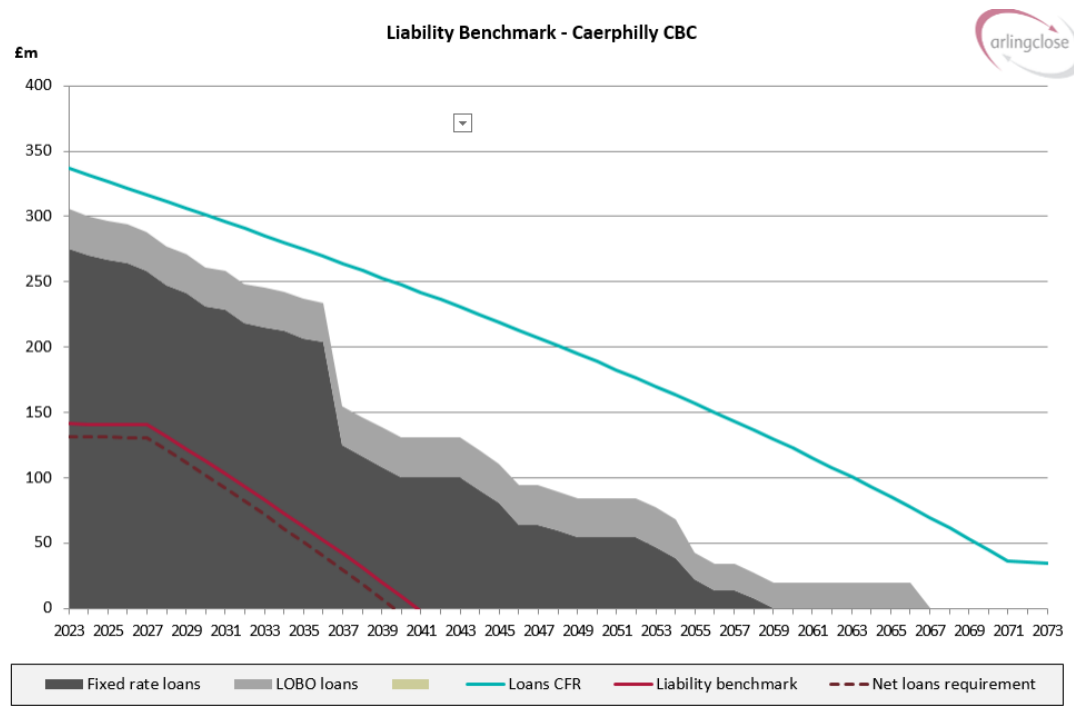
5.19.1 There is a requirement to analyse and report the capital financing costs and express those costs as a percentage of the net revenue streams of the Authority.

5.19.2 The General Fund future revenue streams are based upon the content of “the Budget Report”.

5.19.3 Future revenue streams for Housing Revenue Account (H.R.A.) have been projected on the basis of a 1.5% increase applied to the rental income (using 2021/22 as a base), less an adjustment for estimated reduction in housing stock as a result of the “Right to Buy” sales.

5.20 Prudential Indicators –Liability Benchmark

5.20.1 This Prudential Indicator represents the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans whilst keeping treasury investments at the minimum level to manage day-to-day cashflows.



5.21 Capital Expenditure and Funding

5.21.1 The summary Capital Expenditure and funding, as shown in **Appendix 7** of this report has been considered in “the Budget Report”.

5.21.2 The Revenue Support Grant (RSG) provided by the Welsh Government (WG) includes an element to off-set the costs of borrowing funds for capital purposes. WG has announced supported borrowings of £4.79m in respect of the 2024/25 financial year, together with General Capital Grant funding of £4.92m.

5.21.3 For calculation purposes, it has been assumed that the supporting borrowing element of funding support and the capital grant received will continue at 2024/25 levels for 2025/26 and for 2026/27. HRA provisional values for the years 2025-2027 are based on the 2023/24 allocation of the Major Repairs Allowance of £7.30m and assumed to continue at this level for future years.

5.22 Minimum Revenue Provision (MRP)

5.22.1 In accordance with the Amendment Regulations, rather than applying a defined formula, the Authority is now only required to apply a charge that is ‘prudent’. A “prudent” period of time for debt repayment is defined as one which reflects the period over which the associated capital expenditure provides benefits.

5.22.2 The Amendment Regulations also introduced an additional reporting requirement. Authorities are now required to submit to full Council, for approval, an Annual MRP Statement, setting out the policy to be adopted for the year following.

5.22.3 The Authority will continue to apply the revised MRP policy that was agreed by Members on 24th January 2017. MRP on supported borrowings will be charged at 2% over 50 years. MRP on unsupported borrowings will be charged at the PWLB annuity loan rate equivalent to the life of the asset. The MRP policy is detailed in **Appendix 8**.

5.23 Other Local Issues

5.24 The Authority's Banker

5.24.1 The Authority will ensure that its day-to-day banking activity is undertaken with an investment grade bank. If the Authority's Bank is downgraded during the contract period (as specified under the Banking Services Contract) to non-investment grade, reasonable measures will need to be undertaken to mitigate the risk associated with further downgrades, and the risk of losing funds if the Bank was to default.

5.24.2 Reasonable measures will need to include (and not limited to) keeping balances to a minimum; hourly review of bank balances for the Group Accounts and subsequently transferring surplus balances to a Call Account; re-routing material income (maturing investments, grants) to a bank account held outside of the existing bank arrangement; and consideration of contingency banking arrangements with another bank should the risk be severe to the Authority's operational requirements. Cabinet will be kept informed if such risks arise. In the case of negative interest rates, monies may be held in the Authority's main bank account.

5.25 Policy on Apportioning Interest to the HRA

5.25.1 On 1st April 2015 the HRA exited the subsidy mechanism by way of the HRA buyout process. As a result, the Authority will operate a single consolidated pool of debt that will hold all debt (new and old loans), and annually recharge the HRA the interest payable on all loans using the average rate of interest as a recharge rate.

5.26 Markets in Financial Instruments Directive

5.26.1 The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

5.27 IFRS 9 Classification

5.27.1 Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost. Pooled fund investments will be elected to be carried at 'Fair Value through Other Comprehensive Income (FVOCI).

6. ASSUMPTIONS

6.1 The details set out in the report are based on interest rate forecasts provided by the Authority's Treasury Management Adviser.

6.2 It is currently assumed that investment cash balances remain at a minimum of £100m throughout 2024/25 in order to deliver the investment returns stated within this report.

- 6.3 It has been assumed that the Authority will fund a proportion of its capital programme through supported borrowing.
- 6.4 It has been assumed that the HRA's borrowing needs are based on the current Business Plan at the time of writing this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The Treasury Management strategy report is a requirement of the Local Government Act and provides a high-level framework in which the Council can operate. This does not impact on any individuals or any protected characteristic groups as defined in the Council's Strategic Equality Plan 2020-2024 and as a result an Integrated Impact Assessment is not required

8. FINANCIAL IMPLICATIONS

- 8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications.

10. CONSULTATION

- 10.1 The report was presented to the Corporate and Regeneration Scrutiny Committee on 20 February 2024 and having considered the content of the report the recommendations were endorsed by those present with one abstention.
- 10.2 All other consultation responses are reflected in the report.

11. STATUTORY POWER

- 11.1 Local Government Act 1972

Author: Rhiann Williams – Group Accountant -Treasury Management and Capital

Consultees: Stephen Harris – Head of Financial Services and S151 Officer
Dave Street, Deputy Chief Executive
Leanne Sykes – Deputy S151 Officer
Andrew Southcombe – Finance Manager, Corporate Finance
Robert Tranter – Head of Legal Services and monitoring Officer
Cllr E. Stenner – Cabinet Member for Finance and Performance

Appendices:

Appendix 1 Local Government Investments - Definitions

Appendix 2	Interest Rates – Forecasts/Indicative
Appendix 3	Credit Policy, Investment Ratings, Periods and Targets
Appendix 4	Investments to be used and “in house” authorisations
Appendix 5	Treasury Management Strategy Indicators
Appendix 6	Prudential Indicators – Capital Finance
Appendix 7	Capital Expenditure and Funding
Appendix 8	MRP Policy

Appendix 1

Local Government Treasury Management Definitions

- **Investment**

In the context of a local authority cash deposit, an investment is a monetary asset deposited with a credible institution with the objective of providing income in the future. This is a transaction which relies upon the power in section 12 of the 2003 Act and is recorded in the balance sheet under the heading of investments within current assets or long-term investments.

- **Long-term Investment**

This is any investment other than one which is contractually committed to be paid within 12 months of the date on which the investment was made.

- **Credit Rating Agency**

An independent company that provides investors with assessments of an investment's risk and the three most prominent are.

Standard and Poor's (S & P)

Moody's Investors Service Limited (Moody's)

Fitch Ratings Limited (Fitch)

- **Specified Investment**

An investment is a specified investment if it satisfies the following conditions:

1. The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
2. The investment is not a long-term investment (as defined above).
3. The investment is not considered to be capital expenditure.
4. One or both of the following conditions is both:
 - The investment is made with the UK Government or a local authority (as defined in section 23 of the 2003 Act) or local authorities in Scotland and Northern Ireland or a parish or community council.
 - The investment is made with a body or in an investment scheme which has been awarded a high credit rating by a credit rating agency

5. The principal sum to be repaid at maturity is the same as the initial sum invested other than investments in the UK Government.

- **Non-specified Investments**

These are investments, which do not meet the conditions of specified investments.

Appendix 2 Interest Rate Forecasts

Bank Rate (Forecasts as at February 2024 and subject to change)

	Arlingclose (Central case)
2024 Q1	5.25%
2024 Q2	5.25%
2024 Q3	5.00%
2024 Q4	4.75%
2025 Q4	3.00%
2026 Q4	3.00%

PWLB (Forecasts as at February 2024 and subject to change- Source Arlingclose (Central case))

	Q1 – 2024	Q2 – 2024	Q3 – 2024	Q4 – 2024
5 Year	4.55%	4.50%	4.45%	4.40%
10 Year	4.60%	4.60%	4.60%	4.55%
20 year	5.20%	5.10%	5.05%	5.05%
50 Year	4.80%	4.80%	4.80%	4.80%

For budget setting and financial planning, the following rates have been assumed.

Budget Period	Investment Returns	Borrowing Rates (PWLB 50 Years)
2024/25	5.17%	4.80%
2025/26	5.17%	4.80%
2026/27	5.17%	4.80%

Appendix 3 Credit Risk Policy

Bank Bail-In

Bail-in legislation has now been fully implemented in the European Union and major economies around the World. In addition, the largest UK banks have ring-fenced their retail and investment banking functions into separate legal entities during 2018 and 2019. The impact of the structural change on the banks credit rating was minimal. Bail-In proposals, an approach where retail customers of a failing bank are protected under compensation schemes (up to a threshold) and losses are covered by investor's equity capital in the first instance, followed by junior debt and then senior unsecured debt and deposits. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

A bail-in is likely, although not certain, to happen over the course of a weekend, with much of the preparatory work having been undertaken in advance as the bank continues to fail regulatory conditions. The announcement of a bail-in, including which creditors will be affected, will normally be made by the Bank of England on a Sunday evening before the Asian markets open. Apart from the affected creditors, the bank will open for business as normal on the Monday morning. Where a banking group comprises several UK bank companies, it is likely that all group banks will be bailed-in together. Separately capitalized subsidiaries in other countries might not be bailed-in; that will be a matter for the local regulator. Before a bail-in, the bank's ordinary shareholders will have their shares expropriated and they will therefore no longer be the bank's owners. Building societies, which are mutually owned by their customers, will be converted to banks before bail-in. Hybrid capital instruments that convert to equity in certain circumstances will also be converted. Creditors will then be bailed-in in this order:

- junior or subordinated bonds, in order of increasing seniority;
- senior unsecured bonds issued by the non-operating holding company (if any);
- senior unsecured bonds issued by the operating bank companies;
- Unsecured deposits (money market funds, call accounts and fixed-term deposits with banks and building societies) and certificates of deposit (except interbank deposits of less than seven days original maturity); and
- Insured deposits that are larger than the FSCS £85,000 coverage limit.

Subject to cashflow liquidity requirements, the Authority will manage bail-in risk by way of investing surplus cash in instruments that are considered to be exempt from bail-in and include (and in no particular order) the Government, Corporate bonds, Registered Providers (Housing Associations) and secured bank instruments (Repos, Covered Bonds and other collateralised instruments). These instruments are considered to have a medium to long-term investment horizon, and therefore it is likely that the Authority will hold investment instruments with financial institutions that will not be exempt from the bank bail-in process such as fixed term deposits, call accounts and money market funds. The Authority will look to limit such holdings for the purpose of managing liquidity.

Counterparty Criteria

The Authority considers, in order of priority, security, liquidity and yield when making investment decisions. Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk. The intention of the strategy

is to provide security of investment and minimisation of risk which will also enable diversification and thus avoidance of concentration risk.

The Authority also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. In accordance with the 2017 Treasury Management Code of Practice, the Authority will use the following key tools to assess credit risk:

- Published credit ratings of the financial institution and its sovereign rating;
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

The Authority is advised by Arlingclose Limited, who provide counterparty risk management services. Credit rating lists are obtained and monitored by Arlingclose, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made;
- any existing investments that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office (unless interest rates are negative) or invested in government treasury bills or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Due to the ongoing strengthening of bank regulations it is recommended that the Authority adopts the Investment Grade scale as the minimum credit rating criteria. This will enable greater flexibility when placing investments especially during periods of regulatory stress tests where the outcome can result in a downsized counterparty list as a result of the downgrading of credit ratings. Furthermore, the need to hold a diversified investment portfolio and the impact of bank bail-in regulations means that the Authority will need to adopt a more structured credit rating criteria matrix for specific instruments. The table below details maximum monetary and investment duration limits.

Maximum Monetary and Investment Duration Limits						
Credit Rating (Long-Term)	Banks Unsecured	Banks Secured	Government	Local Authorities	Corporates	Registered Providers
UK Govt	-	-	£ Unlimited 50 years	-	-	-
AAA	£20m 5 years	£20m 20 years	£20m 50 years	£20m 50 years	£10m 20 years	£10m 20 years
AA+	£10m 5 years	£20m 10 years	£20m 25 years	£10m 25 years	£10m 10 years	£10m 10 years
AA	£10m 4 years	£20m 5 years	£20m 15 years	£10m 15 years	£10m 5 years	£10m 10 years
AA-	£10m 3 years	£20m 4 years	£20m 10 years	£10m 10 years	£10m 4 years	£10m 10 years
A+	£10m 2 years	£20m 3 years	£10m 5 years	£10m 5 years	£10m 3 years	£10m 5 years
A	£10m 13 months	£20m 2 years	£10m 5 years	£10m 5 years	£10m 2 years	£10m 5 years
A-	£10m 6 months	£20m 13 months	£10m 5 years	£10m 5 years	£10m 13 months	£10m 5 years
BBB+	£10m 100 days	£10m 6 months	£10m 2 years	£10m 2 years	£10m 6 months	£10m 2 years
BBB	£5m next day only	£5m next day only	-	£5m next day only	-	£5m next day only
None Rated	£1m 6 months	-	£5m 25 years		-	£5m 5 years
REITS			£20m per fund			
Pooled funds			£20m per fund			

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks Unsecured: Call accounts, term deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB are restricted to overnight deposits at the Authority's current account bank [Barclays Bank Plc] or the Debt Management Office. The use of Banks unsecured instruments will be limited to aid the management of cashflow liquidity. In accordance with advice from the Authority's Treasury Management adviser, International banks will also be considered.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments. Investments placed in conjunction with a Repo Agreement will be classed as a secured investment.

Government: The Debt Management Office, Loans, bonds and bills issued or guaranteed by national governments and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years. Multilateral / Supranational institutions and State Agencies will also be classed as Government institutions as a number of sovereign states are key shareholders.

Local Authorities: Fixed term deposits / bills/ Bonds issued by local and regional authorities who include police and fire authorities. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Local authorities are not rated by credit rating agencies (though a handful of authorities have obtained a credit rating), but it is assumed that local authorities have the same credit rating as the UK Government (AA). Therefore, a limit of £10m and duration of 15 years will be applied.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services; they retain the likelihood of receiving government support if needed. Consideration will also be given to providing liquidity facilities, such as a revolving credit facility, subject to a detailed credit assessment of the Registered Provider.

Pooled Funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. **Money Market Funds** that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts to manage short-term liquidity, while long-term strategic **pooled funds** whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity, and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

Investment periods

- **Short-term (up to 365 days)**

At the time of writing, all short-term investments are managed in-house as a result of day-to-day cash flow management.

For the purpose of flexibility to respond to day-to-day cash flow demands, the proposed minimum percentage of its overall investments that the Authority will hold in short-term investments is **40%**.

Members are reminded that once a deposit has been made for a fixed period it can only be withdrawn (repaid early) by mutual consent albeit at a cost and subject to the underlying terms and conditions of the contract.

- **Long-term (one year and over)**

The Authority will continue to invest in long-term investments. Excluding the UK Government, It is suggested that no more than £20m be placed with any one institution with duration as set out in the table above. The Authority will not have more than £60m deposited in long-term investments (the Upper Limit).

Target Rate

Forecasts of base rate can be quite diverse as illustrated by the table in **Appendix 2**. In view of the uncertainty inherent in such predictions, it would be imprudent to set a target rate which may be difficult to achieve. In view of the foregoing, it is proposed to set a target rate of return for short-term deposits in 2023/24 of at least **3.00%**.

This rate reflects the forecast of Bank Rate and the relationship between that rate and the rate achievable from the DMADF. If deposits are made with other counterparties as detailed in Section (a) of this Appendix, it is possible that the above rate could be exceeded.

Appendix 4- Specified and Non-Specified Investments

Investments are categorised as “Specified” or “Non-Specified” within the investment guidance issued by the Welsh Government.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the “high credit quality” as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

The Authority’s credit ratings criterion is set out in **Appendix 3** and will be consulted when using the investments set out below. Credit ratings are monitored on a daily basis and the Treasury Management Adviser will advise the Authority on rating changes and appropriate action to be taken.

The types of investments that will be used by the Authority and whether they are specified or non-specified are listed in the table below.

	Specified	Non-Specified
Government		
Debt Management Account Deposit Facility	✓	✗
Gilts (UK Government)	✓	✓
Treasury Bills (T-Bills- UK Government)	✓	✗
Bonds issued by AAA rated Multilateral Development Banks	✓	✓
Registered Providers (Housing Associations)		
Registered Providers (Housing Associations)	✓	✓
Corporates		
Corporate Bonds (including Floating Rate Notes and Commercial Paper)	✓	✓
Local Authorities		
Term deposits with other UK local authorities	✓	✓
Local Authority Bills / Bonds	✓	✓
Banks- Secured		
Repurchase Agreements (Repos)- Banks & Building Societies	✓	✓
Covered Bonds	✓	✓
Other Collateralised arrangements	✓	✓
Banks- Unsecured		
Term deposits with banks and building societies	✓	✗
Certificates of deposit with banks and building societies	✓	✗
AAA-Rated Money Market Funds	✓	✗
Authority's Banker	✓	✗
Pooled Funds (Variable Net Asset Valuation)		
Other Money Market and Collective Investment Schemes	✗	✓
Pooled Funds (Property; Bonds; Equity; Multi-Asset)	✗	✓
Real Estate Investment Trusts	✗	✓

Authorisation for the in-house team

A. Short-term Investments

Due to the nature of the in-house team's duties, in that they need to respond to cash-flow fluctuations by dealing on the money market generally between 8.00am and 10.00am each day, it is impractical for each decision to be referred to the most senior management levels.

As a result, it is proposed that day-to-day decisions remain the responsibility of the Group Accountant (Treasury Management & Capital) who is the *de facto* Treasury Manager. In the absence of the Group Accountant (Treasury Management & Capital), the responsibility will pass to any of the appropriate line managers.

It is proposed that all Treasury Management decisions that arise from the daily cashflow will be supported by the completion of a pro-forma which will evidence compliance with the strategy.

B. Long-term Investments

It is proposed that decisions regarding long-term investments be referred to the Head of Financial Services & S151 Officer (as Chief Financial Officer) after consultation with the Finance Manager for Corporate Finance.

C. General Authorisations

Whilst it is generally the intention to refer all decisions regarding long-term borrowing to the Head of Financial Services, there are times when to do so will risk the loss of a potentially advantageous deal, due to non-availability. This is particularly relevant to the raising of PWLB loans.

The Authority's Treasury Management Adviser continually monitors the movement of interest rates and can predict the changes in PWLB rates. On occasions it may be necessary to respond to advice from the Adviser to take up PWLB loans (whether as part of the current years funding requirement, or as part of a rescheduling exercise) before interest rates increase and make the necessary application to the PWLB before their cut-off time. In these circumstances, it is not always possible to have access to the Head of Financial Services & S151 Officer, at short notice, for approval.

As a result, it is proposed that, if the Head of Financial Services & S151 Officer is unavailable, the decision be referred to the Finance Manager Corporate Finance. In the absence of both, then the decision will be made by the Group Accountant (Treasury Management and Capital) provided that the reason for the transaction is appropriately documented, falls within the approved Annual Strategy and prudential indicators, and failure to act upon the advice given would result in additional interest charges.

In all the foregoing, it must be remembered that any action taken, based on a view of interest rates, can only be assessed on the data available at the time.

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Appendix 5 Treasury Management Strategy Indicators 2024/25-2025/26

	Budget 2024-25	Budget 2025-26	Budget 2026-27
	£000	£000	£000
Authorised limit for external debt -			
Borrowing	508,268	540,933	543,349
Other long term liabilities	19,672	17,278	14,884
Total	527,940	558,211	558,232
Operational boundary for external debt -			
Borrowing	406,614	432,747	434,679
Other long term liabilities	19,672	17,278	14,884
Total	426,286	450,025	449,563
Capital Financing Requirement	382,729	406,025	404,546
Upper limits for interest rate exposure			
Principal outstanding on borrowing	406,614	432,747	434,679
Principal outstanding on investments	100,000	100,000	100,000
Net principal outstanding	306,614	332,747	334,679
Fixed rate limit – 100%	306,614	332,747	334,679
Variable rate limit – 30%	91,984	99,824	100,404
Upper limit for total invested for over 365 days	60,000	60,000	60,000

	Upper Limit	Lower Limit
Maturity structure of fixed rate borrowing		
Under 12 months	35%	0%
Over 12 months and within 24 months	40%	0%
Over 2 years and within 5 years	50%	0%
Over 5 years and within 10 years	75%	0%
Over 10 years	100%	0%

	Budget 2024-25	Budget 2025-26	Budget 2026-27
	£000	£000	£000
Gross Debt and Net Debt			
Outstanding Borrowing	406,614	432,747	434,679
Other long term liabilities	19,672	17,278	14,884
Gross Debt	426,286	450,025	449,563
Less investments	100,000	100,000	100,000
Net Debt	326,286	350,025	349,563

	Budget 2024-25	Budget 2025-26	Budget 2026-27
	£000	£000	£000
Gross and The CFR			
Gross Debt	426,286	450,025	449,563
CFR	382,729	406,025	404,546

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Appendix 6 - Prudential Indicators - Capital Finance

Ratio of Financing costs to net revenue stream	Budget 2024-25	Budget 2025-26	Budget 2026-27
General Fund	£000	£000	£000
Principal repayments	2,578	2,638	2,699
Interest costs	6,821	5,475	5,662
Debt Management costs	43	43	43
Rescheduling discount			
Investment income	(4,667)	(4,667)	(4,667)
Interest applied to internal balances	812	812	812
Total General Fund	5,587	4,301	4,548
Net revenue stream	436,378	444,438	451,836
Total as percentage of net revenue stream	1.28%	0.97%	1.01%
Housing Revenue Account			
Principal repayments	2,624	3,472	3,972
Interest costs	5,793	7,287	7,153
Debt Management costs	41	41	41
Total HRA	8,459	10,800	11,166
Net revenue stream	53,075	56,940	58,332
Total as percentage of net revenue stream	15.94%	18.97%	19.14%

Capital financing requirement [end of year position]	Budget 2024-25	Budget 2025-26	Budget 2026-27
	£000	£000	£000
Council Fund	225,214	227,461	229,553
Housing Revenue Account	157,515	178,564	174,993
Total Authority	382,729	406,025	404,546

Liability Benchmark	Budget 2024-25	Budget 2025-26	Budget 2026-27
	£000	£000	£000
Capital Financing Requirement	382,729	406,025	404,546
Less Balance Sheet Resources	(219,600)	(214,600)	(209,600)
Net Loans Requirement	163,129	191,425	194,946
Plus Liquidity allowance	10,000	10,000	1,000
Liability Benchmark	173,129	201,425	195,946

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Appendix 7 - Capital Expenditure and Funding

	Budget 2024-25	Budget 2025-26	Budget 2026-27
Expenditure	£000	£000	£000
Council Fund	86,896	44,464	14,310
Housing Revenue Account	84,133	64,957	25,087
Total	171,029	109,421	39,397
Funding			
General Capital Grant - WG	4,919	4,919	4,919
Borrowing - Supported (GF)	4,790	4,790	4,790
Major Repairs Allowance (HRA)	7,296	7,296	7,296
Grants	64,916	38,261	17,197
One off funding- MRP Review		1,314	1,244
RCCO Budget		128	128
RCCO- (HRA)	31,796	15,895	2,725
Unsupported Borrowing HRA	31,500	24,200	
Reserves	25,743	12,618	1,098
Other	69		
Total	171,029	109,421	39,397
Surplus C/f			

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The Minimum Revenue Provision (MRP) is an amount charged to the revenue account for the repayment of debt, which has been used to finance capital expenditure. The Local Government Act 2003 requires the Authority to have regard to the Welsh Government's Guidance on Minimum Revenue Provision (most recently issued in 2010).

The broad aim of the WG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The WG Guidance requires the Authority to approve an Annual MRP Statement each year. The Authority's MRP policy for 2024/25 is stated below.

Supported Borrowings

MRP on historic debt liability as at the 31st March 2007 and subsequent capital expenditure funded from supported borrowings will be charged to revenue over 50 years.

The MRP charge for supported borrowing will be based on an assumed annuity rate of 2%.

The annuity method results in a lower charge in earlier years and a higher charge in the later years, and takes into consideration the time value of money.

Unsupported Borrowings

The MRP charge for individual assets funded through unsupported borrowing will be based on the estimated life of each asset or 25 years where this cannot be determined.

The MRP charge for unsupported borrowing will be based on the average Public Works Loan Board (PWLB) interest rate for new annuity loans in the year that an asset becomes operational.

Advice on asset life (land and buildings) will be sought from the Council's property valuation team. The first MRP Charge will start in the year after the asset becomes operational.

MRP Charges Relating to Other Capital Expenditure

- 1 For assets acquired by leases or the Private Finance Initiative [and for the transferred debt from local authorities], MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 2 For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement

instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the WG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred in the loan is fully funded over the life of the assets.

- 3 For schemes whereby capital receipts generated from the sale of assets created from the project are used to finance the capital expenditure on the project, this will be regarded as meeting the requirements of prudent provision and no MRP will be charged.
- 4 MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
- 5 The MRP charge for the HRA will be determined by using an interest rate of 2% on the opening capital financing requirement on a reducing balance basis.
- 6 The Authority has the option to make voluntary overpayments on MRP where possible to reduce the revenue charge in later years.

Capital expenditure incurred during 2024/25 that is financed by debt will not be subject to an MRP charge until 2025/26.



COUNCIL – 27TH FEBRUARY 2024

SUBJECT: BUDGET PROPOSALS FOR 2024/25

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

- 1.1 The attached report is due to be considered by Cabinet at its meeting on 27 February 2024.
- 1.2 Feedback from the Cabinet meeting will be reported verbally at the subsequent meeting of Council on 27 February 2024.
- 1.3 Subject to consideration of the views of Cabinet, Council is asked: -
- 1.3.1 To approve the revenue budget proposals for 2024/25 of £449.190m as detailed throughout the report and summarised in Appendix 1.
 - 1.3.2 To approve the proposed increases in charges for school meals in secondary schools, Meals Direct, and the Hive Restaurant along with the proposed increase in the fee for MOT testing as detailed in paragraph 5.5.5.
 - 1.3.3 To agree that 100% of the net projected underspend on the Council's 2023/24 revenue budget will be transferred into General Fund balances as outlined in paragraph 5.7.3.
 - 1.3.4 To note the movements on the General Fund in Appendix 4 and the projected balance as at 31 March 2024 of £14.126m.
 - 1.3.5 To approve the proposed Capital Programme for the period 2024/25 to 2026/27 as set out in Appendix 5.
 - 1.3.6 To approve the proposal to increase Council Tax by 6.9% for the 2024/25 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,446.37).
 - 1.3.7 To note the indicative potential savings requirement of £45.213m for the two-year period 2025/26 to 2026/27.

Author: Stephen Harris, Head of Financial Services and S151 Officer
Tel: 01443 863066 E-mail: harrisr@caerphilly.gov.uk

Appendix Report to Cabinet 27 February 2024.

Gadewir y dudalen hon yn wag yn fwriadol



CABINET – 27TH FEBRUARY 2024

SUBJECT: BUDGET PROPOSALS FOR 2024/25

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet endorsement of the 2024/25 budget proposals contained within this report prior to final determination by Council on 27 February 2024.

2. SUMMARY

- 2.1 At its meeting on 17 January 2024, Cabinet endorsed the 2024/25 Draft Budget Proposals based on the Welsh Government (WG) Provisional Local Government Financial Settlement for 2024/25.
- 2.2 The report provided details of a range of cost and service pressures that require funding, proposed permanent and temporary savings, the proposed one-off use of reserves, and a proposed increase of 6.9% in Council Tax to enable the Authority to set a balanced budget for the 2024/25 financial year.
- 2.3 Following a period of consultation this report now presents Final Budget Proposals for the 2024/25 financial year. The report also contains additional information for Cabinet consideration in respect of movements on the General Fund, and the proposed Capital Programme for the three-year period 2024/25 to 2026/27.
- 2.4 An updated indicative Medium-Term Financial Plan (MTFP) is also appended to the report showing a potential savings requirement of £45.213m for the two-year period 2025/26 to 2026/27.

3. RECOMMENDATIONS

- 3.1 Prior to consideration and determination at the Council meeting on 27 February 2024, Cabinet is asked: -
 - 3.1.1 To endorse the revenue budget proposals for 2024/25 of £449.190m as detailed throughout the report and summarised in Appendix 1.
 - 3.1.2 To endorse the proposed increases in charges for school meals in secondary schools, Meals Direct, and the Hive Restaurant along with the proposed increase in the fee for MOT testing as detailed in paragraph 5.5.5.

- 3.1.3 To agree that 100% of the net projected underspend on the Council's 2023/24 revenue budget will be transferred into General Fund balances as outlined in paragraph 5.7.3.
- 3.1.4 To note the movements on the General Fund in Appendix 4 and the projected balance as at 31 March 2024 of £14.126m.
- 3.1.5 To endorse the proposed Capital Programme for the period 2024/25 to 2026/27 as set out in Appendix 5.
- 3.1.6 To support the proposal to increase Council Tax by 6.9% for the 2024/25 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,446.37).
- 3.1.7 To note the indicative potential savings requirement of £45.213m for the two-year period 2025/26 to 2026/27.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 Council is required annually to approve proposals to set a balanced budget and agree a Council Tax rate.
- 4.2 Council is required to put in place a sound and prudent financial framework to support service delivery.

5. THE REPORT

5.1 Background and Economic Context

- 5.1.1 The continuing impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, are major influences in determining the 2024/25 Budget Proposals and the medium-term financial outlook.
- 5.1.2 The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In February 2024, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%.
- 5.1.3 The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for Consumer Prices Index (CPI) inflation was deemed to be highly uncertain, with upside risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.
- 5.1.4 Office for National Statistics (ONS) figures showed CPI inflation was 4.0% in January 2024. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half of 2025 and into 2026.
- 5.1.5 ONS figures showed the UK economy contracted by 0.1% between July and September 2023, and a further contraction of 0.3% is estimated between October and December 2023 which effectively indicates a period of recession. The BoE forecasts GDP will likely stagnate through 2024 and that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

- 5.1.6 The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.
- 5.1.7 Although UK inflation and wage growth remain elevated, the Authority's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early/mid-2026.
- 5.1.8 The current economic situation and increases in demand for services (particularly in Social Care) means that the Council (along with all others) continues to face unprecedented financial challenges. The seriousness of this situation is evidenced by a number of Councils issuing Section 114 Notices in recent years (Croydon, Slough, Northumberland, Thurrock, Birmingham, and Nottingham), which effectively means that these Councils were serving notice that they were unable to deliver balanced budgets. It is anticipated that a number of other Councils will issue Section 114 Notices moving forward.
- 5.1.9 Due to austerity, between 2008/09 and 2023/24 Caerphilly CBC has already delivered savings in excess of £111m to address reductions in funding and inescapable cost pressures. However, the details set out in this report show a savings requirement of £41.626m for 2024/25 alone, and due to the temporary nature of many of the measures proposed to balance the budget for 2024/25, it is currently anticipated that further total permanent savings of £45.213m will be required for the two-year period 2025/26 to 2026/27.
- 5.1.10 The scale of the financial challenge facing the Council cannot be underestimated. Clearly, a financial strategy that seeks to continuously salami slice our services and deplete our reserves is not a sustainable or an appropriate approach, especially when the demands upon our services are far higher than ever, as our communities continue to present far greater and increasingly complex needs to us. To ensure we are able to meet the needs of our communities, whilst operating with significantly reduced funding, a whole Council and a whole County Borough holistic approach is needed, and this is being defined and developed through the Council's Mobilising Team Caerphilly Transformation Programme.
- 5.1.11 During the last twelve months significant work has been undertaken during the discovery phase of Mobilising Team Caerphilly to identify a wide range of projects that will help the Council balance its budget moving forward. We are now moving into the delivery stage with numerous projects being defined in detail in readiness for approval and implementation. A change programme of the scale being considered will require significant resources to be deployed and will inevitably take time to fully deliver. With this in mind, the budget proposals for 2024/25 effectively provide a transitional budget which is partially supported through the one-off use of reserves and a number of temporary savings measures. This will provide the time needed to deliver the range of prioritised projects under Mobilising Team Caerphilly.
- 5.1.12 Given the scale of the financial challenge faced by the Council, it is inevitable that some difficult decisions will need to be made at pace to ensure that balanced budgets can be delivered in the forthcoming years.

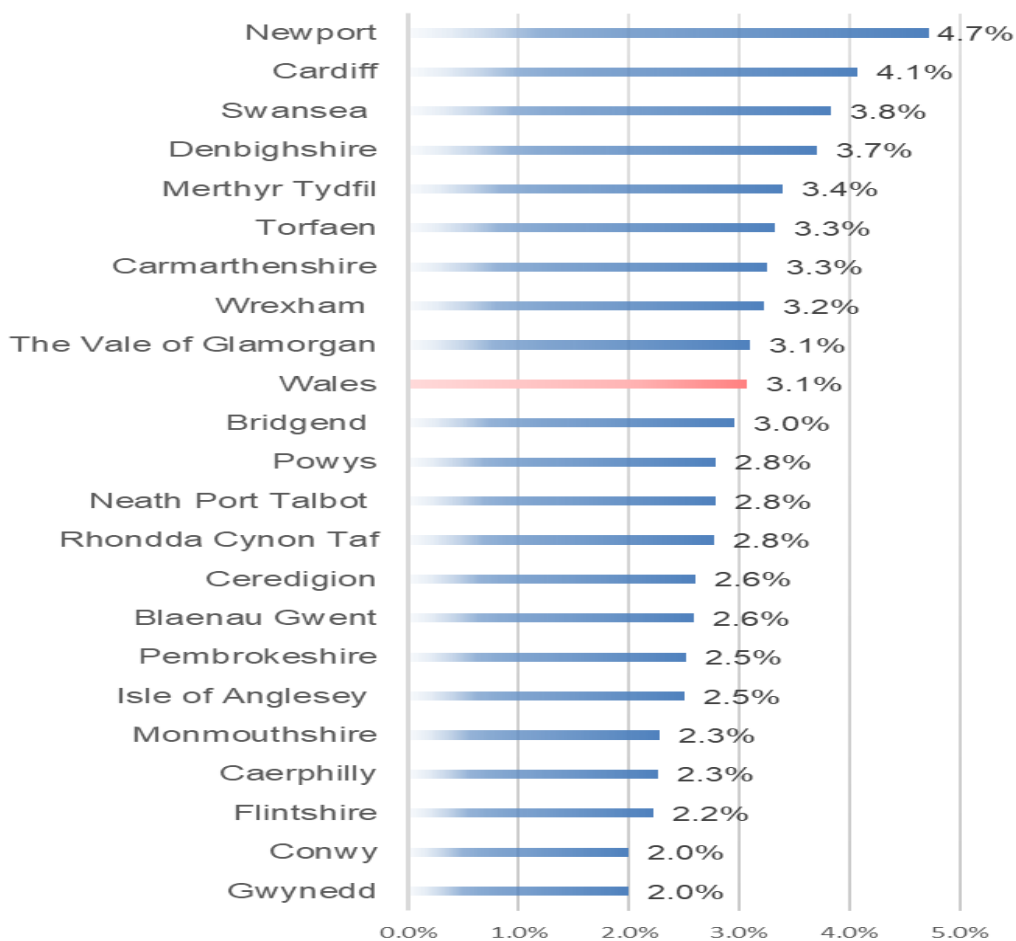
5.2 Welsh Government (WG) Provisional Local Government Financial Settlement for 2024/25

- 5.2.1 The Local Government Financial Settlement received from WG on an annual basis is referred to as Aggregate External Finance (AEF). This consists of a Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates (business rates). Details of the Provisional Local

Government Financial Settlement are usually announced by WG in early October each year. However, in recent years due to economic uncertainty the announcement has been delayed until December and details of the Provisional Local Government Financial Settlement for 2024/25 were not released until 20 December 2023.

5.2.2 On an All-Wales basis, the Provisional Financial Settlement shows an increase in Aggregate External Finance (AEF) of £170m or 3.1% on a like-for-like basis. Table 1 below shows the range around the average of 3.1% driven by the funding formula. This is largely a reflection of data movements in population and pupil numbers and an analysis of the components of change in the funding formula is set out in the suite of tables published alongside the settlement. The lowest increases are in Gwynedd and Conwy with 2.0%, and the highest is Newport with an increase of 4.7%. The Minister has implemented a floor mechanism at 2% which benefits the two authorities at the bottom and is funded from outside the settlement at a cost of £1.3m. The increase for Caerphilly CBC is 2.3%.

Table 1 - Changes to AEF by Local Authority (2023/24 to 2024/25)



5.2.3 Overall core revenue funding rises to £5.69bn in 2024/25. As this is the last year of the current Spending Review period there is no forward indication of settlements beyond the work that has been done by Wales Fiscal Analysis.

5.2.4 In terms of public sector pay, there is specific reference in the Minister’s letter that accompanied the settlement to teachers pay. This confirms that this will have to be funded from within the settlement envelope: -

“I have again taken the decision to provide all the available funding up front and not hold back funding for in-year recognition of the 2024/25 teachers’ pay deal. Authorities’ budget planning must therefore accommodate these costs.

5.2.5 Further on in the Minister’s letter there is also reference to the funding of the teachers’ and firefighters’ pension contributions: -

“The Chancellor’s Autumn Statement referred to the changes to the SCAPE rate, which has implications for the costs of employers’ contributions to teachers and fire-fighter pensions. This in turn has implications for Local Authority budgets. Funding for this is expected to be provided by UK Government but not until 2024/25. I will be writing to the Chief Secretary to the Treasury to press for assurances on the level and timing of this funding. My officials will keep your officers informed.

5.2.6 In cash terms, the 2.3% increase for Caerphilly CBC provides additional funding of £7.766m for 2024/25. Whilst this is of course welcomed, the increase needs to be considered in the context of the financial challenge being faced by the Council, with cost pressures totalling £56.464m for 2024/25 alone.

5.2.7 Changes to other pass-ported grants in the Provisional Settlement result in a net reduction of £202k for Caerphilly CBC in relation to the tapering of WG funding for Private Finance Initiative (PFI) Schemes.

Specific Revenue Grants

5.2.8 On a like-for-like basis, the Provisional Settlement shows that specific revenue grants will decrease on an All-Wales basis by circa 6.3% or around £92m. Education grants will go to local authorities from 2024/25 rather than the regional consortia and significantly many education grants will consolidate into 4 new grants: -

- Local Authority Education Grant (Schools Standards) £160m.
- Local Authority Education Grant (Equity) £155m.
- Local Authority Education Grant (Reform) £54m.
- Local Authority Education Grant (Cymraeg) £10m.

5.2.9 Some of the larger and more significant reductions in 2024/25 include: -

- Retail, Leisure, and Hospitality Rates Relief reduces from £130m to £79m.
- Social Care Workforce Grant reduces from £45m to £35m.
- Communities for Work+ reduces from £27m to £17m.
- Bus Emergency Scheme reduces from £42m to £39m.

5.2.10 There are increases in several grant schemes, some of the larger and more significant include:

- Substance Misuse Action Fund increases from £39m to £41m.
- Universal Free Primary School Meals increases from £63m to £94m.

5.2.11 Heads of Service are currently working with Finance Managers to fully assess the impacts of reductions in grant funding, but the working assumption is that services will need to manage within the reduced funding allocations.

Capital Funding

5.2.12 The Provisional Settlement shows that capital allocations available to Caerphilly CBC in the RSG and from the General Capital Grant have decreased from £9.772m in 2023/24 to £9.709m for 2024/25. An updated Capital Programme will be presented to Cabinet and Council on 27 February 2024.

5.3 Changes to the Provisional Local Government Financial Settlement for 2024/25

- 5.3.1 WG notified Local Authorities on 23 January 2024 of a small anomaly in the Provisional Local Government Revenue and Capital Settlements for 2024/25. This results in an increase of £95 in the revenue funding for Caerphilly CBC, and an increase of £22k in capital funding.
- 5.3.2 On 24 January 2024, the UK Government announced it would increase funding to local authorities in England by £600m and following this WG informed Local Authorities in Wales on 7 February 2024 that there would be a consequential allocation for Wales of around £25m for 2024/25, which will be confirmed at the UK Spring Budget on 6 March 2025.
- 5.3.3 As part of addressing the challenges WG faced in its 2024/25 Draft Budget, the Minister for Health and Social Services reduced the Social Care Workforce Grant by £10.6m i.e. from £45m to £35m on an All-Wales basis. Council Leaders have since expressed concern at this, and it has also been a theme in the Senedd scrutiny sessions on the Draft Budget. As a result of the £25m consequential, the Minister has announced that this grant funding for 2024/25 will now return to the 2023/24 level of £45m.
- 5.3.4 The remaining £14.4m of the consequential funding will be allocated to the Revenue Support Grant in 2024/25. The original funding floor remains and the increased funding in the Financial Settlement will mean that no individual authority will have an increase lower than 2.3%. For Caerphilly CBC there will be additional revenue funding of £835,089 for 2024/25, with the net overall increase in funding now being 2.5%.
- 5.3.5 WG has also notified Local Authorities that the following grants will now be transferring into the Financial Settlement: -

Table 2 – Grants Transferring into the 2024/25 Financial Settlement

Grant	£m
Implementation of the Performance and Improvement Framework	0.040
Delivery of Flood Protection	0.225
Child Burials	0.038
TOTAL: -	0.303

- 5.3.6 As in previous years the grants transferring into the Settlement will be allocated to the relevant service budgets.
- 5.3.7 The consequential funding and grant transfers will be formally allocated in the WG Final Budget on 27 February 2024 and will form part of the Final Local Government Settlement for 2024/25.

5.4 2024/25 Draft Budget Proposals

- 5.4.1 In addition to the changes in WG funding outlined in Section 5.3, there are further emerging costs pressures and savings adjustments that will impact on the final budget proposals. These changes are all captured in Table 3: -

Table 3 - Adjustments to the 2024/25 Draft Budget Proposals

Description	£m
Adjustments to funding in 2024/25 Provisional Financial Settlement: -	
• Anomaly notified by WG 23/01/24 and share of consequential funding announced 07/02/24	0.835

• Grants to be transferred into Settlement: -	
- Implementation of the performance and Improvement Framework	0.040
- Delivery of Flood Prevention	0.225
- Child Burials	0.038
Additional Growth Requirements: -	
• Annual contribution to Valleys Regional Park Partnership	(0.030)
• 4.28% increase in contribution to City Deal Programme Office	(0.006)
• Additional licences for rollout of Intranet in schools	(0.006)
• Caerphilly CBC annual contribution to new Learning Management System Consortium (Thinqi)	(0.040)
Transfers Into Settlement Allocated to Relevant Service Budgets	(0.303)
Adjustments to Proposed Savings: -	
• Community Centres caretaker costs saving calculated incorrectly in 2024/25 Draft Budget Proposals report	0.018
Net Increase in Funding Available: -	0.770
Proposed Reduction in Call on Reserves to Balance Budget	(0.770)
NET POSITION: -	0.000

5.4.2 Members will note that the net increase in funding available is £770k, and it is proposed that this is used to reduce the call on reserves to balance the 2024/25 budget. This will also contribute to reducing the projected shortfall for the 2025/26 and 2026/27 financial years.

5.4.3 The proposals contained within this report will deliver a balanced budget for 2024/25 on the basis that Council Tax is increased by 6.9%. Table 4 provides a summary: -

Table 4 – 2024/25 Budget Proposals Summary

	£m
Cost Pressures: -	
• General Fund Services inflationary pressures (pay and non-pay)	11.934
• General Fund inescapable service pressures	13.737
• Transfers into Settlement	0.303
• Schools cost pressures	8.283
• Reinstatement of 2023/24 temporary budget measures	22.207
Total: -	56.464
Funded By: -	
• 2.5% uplift in Provisional Settlement	8.904
• 6.9% proposed increase in Council Tax	5.935
• Permanent savings proposals	19.552
• Temporary savings proposals	11.449
• One-off use of reserves	10.624
Total: -	56.464

5.4.4 Whilst the proposals in this report present a balanced financial position for 2024/25, a significant element of this is being achieved through one-off temporary measures i.e. £11.449m of temporary savings and £10.624m through the use of reserves. These temporary one-off measures totalling £22.073m will only support the budget for the 2024/25 financial year and they effectively allow a transitional budget to be presented that provides the time needed to deliver the range of prioritised projects under the Mobilising Team Caerphilly Transformation Programme.

5.4.5 The 2024/25 General Fund Services inflationary cost pressures totalling £11.934m are set out in Table 5 below: -

Table 5 – General Fund Services Inflationary Cost Pressures

	£m
National Joint Council (NJC) Pay Award	8.869
Increase in Employer Pension Contributions (NJC Staff)	1.245
Non-Pay Inflation	2.673
Non-Pay Inflation (Fees and Charges)	(0.853)
TOTAL: -	11.934

5.4.6 **National Joint Council (NJC) Pay Award** – The 2023/24 budget approved by Council in February 2023 assumed a NJC pay award of 5% from April 2023. However, the final approved pay award was an uplift of £1,925 across all pay scales (average net increase of 6.51%), which required additional funding of circa £2.3m to be identified. This is being funded in 2023/24 through a one-off contribution from reserves, and the additional cost has also now been factored into the base budget for 2024/25. In addition to this, a further pay award of 4% is assumed from April 2024. The assumed 4% uplift will be held corporately in the first instance and released to budgets once the actual pay award for 2024/25 has been determined.

5.4.7 **Increase in Employer Pension Contributions (NJC Staff)** – The Greater Gwent (Torfaen) Pension Fund is subject to an independent triennial valuation of its assets and liabilities. The outcome of the most recent valuation in 2022 requires a 1% increase in the employer's contribution for 2024/25, with a further increase of 0.5% for 2025/26. Any increase for 2026/27 will be determined by the next triennial valuation.

5.4.8 **Non-Pay Inflation** – The Consumer Prices Index (CPI) inflation rate peaked at 11.1% during 2022. The most recent published data for the 12 months to January 2024 shows CPI at 4.0%. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half of 2025 and into 2026. For budget setting purposes an inflation rate of 3% is assumed for 2024/25. The figure of £2.673m does not include any uplift for independent sector Social Care providers as the full cost of these increases is included in inescapable service pressures.

5.4.9 **Non-Pay Inflation (Fees and Charges)** - A generic increase of 5% is assumed for Fees and Charges.

5.4.10 Table 6 provides a summary of the 2024/25 General Fund Services inescapable service pressures totalling £13.737m. These pressures have been subject to a detailed review and have been incorporated into the 2024/25 Budget Proposals on the basis that they are essential. Full details are provided in Appendix 2 for Members' consideration.

Table 6 – Summary of General Fund Inescapable Service Pressures

Service Area	£m
Corporate Services	0.299
Miscellaneous Finance	1.986
Social Services	10.448
General Fund Housing	1.004
TOTAL: -	13.737

5.4.11 The 2024/25 Schools cost pressures totalling £8.283m are set out in Table 7 below -

Table 7 – Schools Cost Pressures

	£m
Teachers' Pay Award	5.951
National Joint Council (NJC) Pay Award (School-Based Staff)	0.724
Increase in Employer Pension Contributions (NJC Staff)	0.188
Non-Pay Inflation	0.826
Other Service Pressures	0.594
TOTAL: -	8.283

- 5.4.12 **Teachers' Pay Award** – The teachers' pay awards in September 2022 and September 2023 were both 1.5% higher than the budgeted levels, and one-off grant funding was provided by the Welsh Government to meet the in-year costs relating to the September 2022 pay award only. WG has now confirmed that no further funding will be provided to meet the recurring additional cost of these pay awards, and that this must be funded from within the 2024/25 Financial Settlement. A further pay award of 4% is currently assumed from September 2024 and this again must be funded from within the settlement.
- 5.4.13 **National Joint Council (NJC) Pay Award (School-Based Staff)** – The 2024/25 budget proposals include budgetary growth to fully fund the full-year impact of the 2023/24 pay award, along with additional budget provision for an assumed pay award of 4% from April 2024.
- 5.4.14 **Increase in Employer Pension Contributions (NJC Staff)** – As mentioned in paragraph 5.4.7, the outcome of the most recent triennial valuation of the pension fund in 2022 requires a 1% increase in the employer's contribution for 2024/25, with a further increase of 0.5% for 2025/26. Any increase for 2026/27 will be determined by the next triennial valuation.
- 5.4.15 **Non-Pay Inflation** - As detailed in paragraph 5.4.8 a CPI inflation rate of 3% is assumed for 2024/25.
- 5.4.16 **Other Schools Service Pressures** – These consist in the main of the following: -
- School floor area related changes.
 - Expansion of Trinity Fields Special School.
 - Demand pressures linked to Specialist Resource Bases (SRB's) or Specialist Satellite provision.
- 5.4.17 The Chancellor's Autumn Statement referred to changes to the 'Superannuation Contributions Adjusted for Past Experience' (SCAPE) rate from April 2024, which has implications for the costs of employers' pension contributions for teachers, which in turn has implications for Local Authority budgets. Funding for this is expected to be provided by the UK Government but not until 2024/25. The estimated cost of the proposed changes for Caerphilly schools is circa £4.8m, which presents a significant financial risk if this is not fully funded on a recurring basis.

5.5 2024/25 Savings Proposals

- 5.5.1 Savings proposals have been identified for the 2024/25 financial year totalling £31.002m. These are summarised in Table 8 with further details being provided in Appendix 3.

Table 8 – 2024/25 Savings Proposals

Service Area	Permanent Savings £m	Temporary Savings £m	Total Savings £m
Corporate Services	1.187	0.658	1.845
Miscellaneous Finance	5.305	5.499	10.805
Economy & Environment	1.576	1.713	3.289
Social Services	0.526	2.545	3.071
Education & Lifelong Learning	0.284	1.034	1.319
Schools	3.000	0.000	3.000
All Directorates	7.673	0.000	7.673
TOTAL: -	19.552	11.449	31.002

- 5.5.2 The savings proposals have been split into 2 categories, those that are permanent and those that are temporary (i.e. not sustainable in the medium to longer-term). Savings of a temporary nature are not ideal, but they do provide a window of opportunity to identify, approve and implement permanent savings in readiness for the 2025/26 and 2026/27 financial years.
- 5.5.3 Members will note that there is a proposed saving of £3m for schools. As outlined in Table 7, schools cost pressures totalling £8.283m have been identified for 2024/25. It is proposed that the Individual Schools Budget (ISB) will be uplifted by £5.283m, which means that schools will need to identify cost efficiencies of £3m. Finance staff will work closely with schools to identify opportunities to reduce costs wherever possible.
- 5.5.4 The permanent savings proposals include an initial 2024/25 in-year savings target of £5m for the Mobilising Team Caerphilly transformation programme. This will be delivered through projects that are currently “in flight” and there is an expectation that further significant savings will be delivered in subsequent financial years once further projects have been prioritised for development and delivery. If the £5m target is exceeded, then the savings will be taken as ‘savings in advance’ to help offset the projected funding gap of £45.213m for 2025/26 and 2026/27. Conversely, if the target is not fully achieved then the shortfall will need to be funded through a further in-year call on reserves. Progress will be closely monitored by the Mobilising Team Caerphilly Portfolio Board and through the Council’s established budget monitoring arrangements.
- 5.5.5 In addition to the savings proposals outlined in Table 8, it is proposed to increase the charges for school meals in secondary schools, Meals Direct and the Hive Restaurant in Ty Penallta by 7.5%. These increases will generate additional income of circa £57k above the 5% fees and charges increase already assumed in the 2024/25 budget proposals. It is also proposed to increase the charge for MOT testing undertaken in the Council’s workshop from the current charge of £45 to the statutory fee of £54.85, which will generate additional revenue of circa £6k per annum. These above 5% increases are proposed by the relevant Heads of Service to help address budgetary pressures in the respective service areas and as such the additional revenue will not be available to support the 2024/25 savings requirement. The additional increases will instead be used to assist in managing expenditure within existing budgets.

5.6 Proposed Use of Reserves

- 5.6.1 To achieve a balanced budget for 2024/25 it will be necessary to utilise reserves totalling £10.624m as a further one-off measure. This again provides a short window of opportunity to develop sustainable solutions to address the projected budget deficit for 2025/26 and 2026/27.
- 5.6.2 It is proposed that the reserves in Table 9 are released to support the budget for 2024/25.

Table 9 – Proposed Use of Reserves

Description	£m	£m
Service Reserves to be Released following Review: -		
• Corporate Services	2.697	
• General Fund Housing	0.100	
• Economy and Environment	0.560	
• Education and Lifelong Learning	0.362	
• Building Consultancy	0.017	3.736
Insurance Reserve		2.000
Contribution from General Fund Balance		4.888
TOTAL: -		10.624

5.7 General Fund Balances

- 5.7.1 Details of the projected movement on General Fund balances are provided in Appendix 4.
- 5.7.2 The current General Fund balance is £15.166m, which reflects the position previously agreed by Council.
- 5.7.3 Based on the 2023/24 month 9 Whole-Authority Revenue Budget Monitoring Report, it is currently anticipated that there will be a net transfer to the General Fund of £4.898m from a projected year-end net underspend across all Directorates. This is based on a 100% take to the General Fund from the projected overall net underspend. Historically, services have retained 50% of underspends but given the scale of the financial challenge we currently face it is recommended that this is postponed for the 2023/24 financial year and kept under review moving forward.
- 5.7.4 As detailed in Table 9 above, following a review of reserves £3.736m will be transferred into the General Fund from Service Reserves and £2m from the Insurance Reserve. It is proposed that these balances will be used as a one-off contribution to support the 2024/25 budget along with a further contribution of £4.888m from the General Fund. This will result in a total one-off contribution from reserves of £10.624m.
- 5.7.5 Cabinet will recall that in previous years the Council Tax surplus has been channelled through the General Fund each year to support the base budget in the following financial year. In normal years this surplus is estimated to be circa £1.050m but Members will be aware that Council Tax collection was adversely impacted during the pandemic and the cost-of-living crisis. It would not be prudent at this stage to assume that the Council Tax surplus for 2023/24 will be at the levels achieved prior to the pandemic. It is therefore recommended that the £1.050m required to support the 2024/25 budget should be funded through a call on the General Fund.
- 5.7.6 After allowing for the above movements the updated projected balance for the General Fund as at 31 March 2024 is £14.126m. The Section 151 Officer usually recommends a minimum General Fund balance of 3% of the Net Revenue Budget which based on the proposals in this report would be £13.476m for 2024/25. Although the current projected balance of £14.126m is £0.650m higher than the 3% minimum recommended balance it is proposed that it is maintained at this level given the significant financial challenges faced by the Council.

5.8 Council Tax Implications 2024/25

- 5.8.1 The budget proposals within this report include a proposed increase of 6.9% in Council Tax for the 2024/25 financial year. This will increase the Caerphilly CBC Band D precept from £1,353.01 to £1,446.37 i.e. an annual increase of £93.36 or weekly increase of £1.80.

- 5.8.2 The proposed increase of 6.9% for 2024/25 will result in the following totals for the Caerphilly CBC element of the Council Tax (the Police & Crime Commissioner and Town/Community Council precepts will be added to these totals): -

Table 10 – 2024/25 Council Tax (CCBC Element) at 6.9% Increase

Band	Council Tax (CCBC Element) £	Weekly Increase £
A	964.25	1.20
B	1,124.95	1.40
C	1,285.66	1.60
D	1,446.37	1.80
E	1,767.79	2.19
F	2,089.20	2.59
G	2,410.62	2.99
H	2,892.74	3.59
I	3,374.86	4.19

- 5.8.3 The proposed increase in Council Tax of 6.9% results in weekly increases ranging from £1.20 for Band A properties to £4.19 for Band I properties. 75.73% of properties in the County Borough are in bands A to C. The Council Tax Reduction Scheme (CTRS) mitigates against the socio-economic impacts on the most vulnerable households. 16,098 households currently receive support with their Council Tax payments from the scheme, representing 19.93% of all households in the County Borough. 17.18% (13,874 households) receive the maximum 100% level of support.

5.9 Capital Programme

- 5.9.1 The proposed Capital Programme for the three-year period 2024/25 to 2026/27 is detailed in Appendix 5 and summarised in Table 11.

Table 11 – Summary of Capital Programme 2024/25 to 2026/27

Planned Expenditure	2024/25 £m	2025/26 £m	2026/27 £m
Corporate Services	1.697	3.139	3.069
Education and Lifelong Learning	48.570	16.183	4.651
Community and Leisure Services	15.073	17.897	0.230
Business Enterprise & Renewal Team	12.822	0.983	0.098
Infrastructure	4.671	2.572	2.572
Public Protection	0.866	0.493	0.493
Property Services	0.690	0.690	0.690
Social Services	0.340	0.340	0.340
Private Housing	2.167	2.167	2.167
Total Council Fund	86.896	44.464	14.310
Housing Revenue Account	84.133	64.957	25.087
TOTAL PLANNED EXPENDITURE	171.029	109.421	39.397
Funded By: -			

WG Core Grant	4.919	4.919	4.919
Supported Borrowing	4.790	4.790	4.790
Other Specific Grants	72.212	45.557	24.493
Reserves	25.743	12.618	1.098
HRA Borrowing	31.500	24.200	0.000
Revenue Contribution to Capital Outlay (RCCO)	31.796	17.337	4.097
Other	0.069	0.000	0.000
TOTAL FUNDING	171.029	109.421	39.397

5.10 Financial Outlook for Future Years

5.10.1 Due to the unprecedented levels of inflation in recent years, the current economic outlook, and the range of temporary measures that are proposed for the 2024/25 financial year, it is clear that the Council will continue to face significant financial challenges moving forward. With this in mind the Medium-Term Financial Plan (MTFP) has been updated based on a range of assumptions, resulting in a further potential savings requirement of £45.213m for the two-year period 2025/26 to 2026/27. Details are provided in Appendix 6 and the following is a summary of the key assumptions: -

- An uplift in WG funding of 1% for both financial years.
- An indicative increase of 4.9% in Council Tax for 2025/26 and 3.9% for 2026/27.
- 3.5% for pay inflation in 2025/26 and 3% for 2026/27 (covering all staff including teachers).
- 0.5% uplift in 2025/26 for NJC employer pension contributions.
- Non-pay inflation at 2% for 2025/26 and 2026/27 in line with the Bank of England target.

5.10.2 In addition to the above, significant work is ongoing with Directors and Heads of Service to identify further potential service cost pressures that will need to be considered in future years. These are currently estimated at £4.865m for 2025/26 and £5.019m for 2026/27 but these figures will be subject to change moving forward.

5.10.3 The temporary measures in the 2024/25 Draft Budget Proposals totaling £22.073m can be used for one year only. Whilst the temporary savings and the prudent use of our reserves provide an opportunity to smooth the path to major reform and transformation, we have only one chance to do this. As Members are acutely aware reserves can only be used once and therefore do not offer a sustainable long-term solution to bridging the budget gap of this and future years.

5.10.4 Given the unprecedented scale of the challenge that we collectively face, a financial strategy that seeks to continuously salami slice our services and deplete our reserves is not a sustainable or an appropriate approach, especially when the demands upon our services are far higher than ever. To ensure we are able to meet the needs of the most vulnerable residents in our communities, whilst operating with reduced finances, a whole council and a whole county borough holistic approach is needed.

5.10.5 The Council's emerging Mobilising Team Caerphilly transformation programme will be a key element in driving forward the significant changes required to ensure that we are able to address the financial challenges that we face. The programme has been under development over a number of months and has now moved beyond the initial discovery phase. Over 150 ideas and projects have been identified and organised into a portfolio, and resources have been brought into the programmes from across the organisation to begin implementation.

5.10.6 The transformation programme is built on Agile Programme Management principles, 'working in the open', and will deliver results at a faster pace and scale than previously possible. This working arrangement requires a high degree of trust between decision-makers and project teams as well as a more flexible approach to governance. There are two core objectives that

have underpinned this work from the outset. This work must improve the customer experience while reducing the organisation cost of meeting the needs of our residents.

5.10.7 The full organisational narrative for the transformation programme was adopted by Cabinet on 15 November 2023 and is as follows: -

“We are committed to delivering sustainable services that meet the present and future needs of our communities. We know we must adapt to meet the challenges we face, but this isn’t simply about cutting services; it’s about flexibility and finding different ways to deliver what our communities need, when they need it.

This includes using fewer buildings, being more business-minded, and making our services more accessible. As we work to meet the needs of our communities more efficiently, we’ll explore other ways to deliver services when it makes sense to do so.

We must engage with our communities to understand the needs of our residents and provide the right support to meet those needs as simply as possible. Where residents need services that we don’t provide we will signpost them to the most appropriate partners to access the support they need.

We understand that some roles may need to change, and we expect there to be a reduction in staff numbers. We will look at voluntary departure options and as colleagues move on to new opportunities or retire, we will carefully assess how their roles can be managed going forward.

By working together, we can create a better future for all our residents.”

5.10.8 The essence of this organisational narrative has been distilled down into a series of transformation principles that have also been adopted by Cabinet: -

When delivering transformation, the Council will: -

- focus on flexibility and finding different ways to deliver what our communities need, when they need it;*
- engage with our communities to understand the needs of our residents and provide the right support to meet those needs as simply as possible;*
- deliver channel shift across our Council services moving from more expensive, face to face or telephone channels to online services where appropriate;*
- explore alternative delivery models when it makes sense to do so;*
- look at voluntary departure options and as colleagues move on to new opportunities or retire, carefully assess how roles can be managed going forward;*
- use our reserves to help balance the budget in the short-term whilst change programmes are fully developed and implemented; and*
- use our reserves on an invest to save basis to fund one-off costs to deliver changes where required.*

5.10.9 The Mobilising Team Caerphilly transformation work has been organised into a portfolio. This is essentially a collection of programmes, which in turn are collections of sub-programmes and projects as follows: -

Figure 1 - Mobilising Team Caerphilly Portfolio

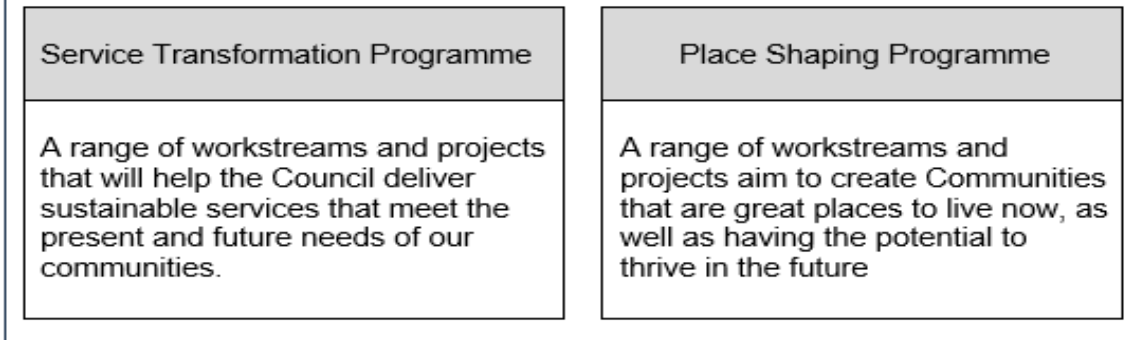


Figure 2 – Service Transformation Programme

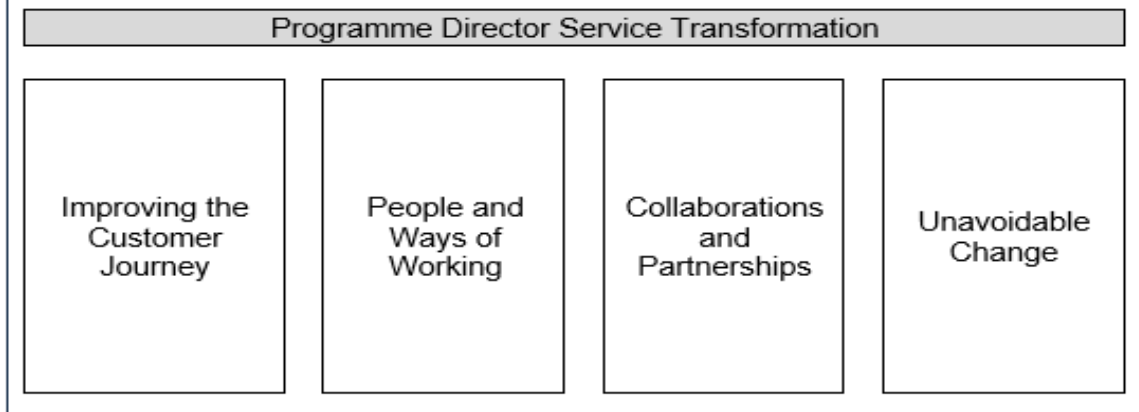


Figure 3 – Place Shaping Programme



5.10.10 As already mentioned, over 150 ideas and projects have been identified as part of the discovery phase of the service transformation programme. Some of these projects are now “in flight” and are being further defined and developed into firm change proposals. These “in flight” projects are being prioritised as the first change programmes to meet an initial £5m in-year savings target that has been proposed for Mobilising Team Caerphilly for the 2024/25 financial year. The initial projects under development include the following: -

- Review of the customer journey – Council Tax.
- Review of the customer Journey – Housing Repairs Service.
- Development of the Waste Management Strategy.
- Review of the Fleet Service.
- Asset management review including the implementation of a corporate landlord model.
- Improving spend controls and centralising/automating invoice processing.
- Community Asset Transfers.

- 5.10.11 In the medium to longer-term, a number of other change projects will need to be developed, defined, approved, and implemented to ensure that a significant contribution is made to the additional savings requirement of £45.213m for the 2025/26 and 2026/27 financial years. The scale of the financial gap will inevitably mean that some very difficult decisions will need to be made but this is unavoidable in the current financial environment for local authorities. We will need to strike the right balance between “needs” and “wants” and a holistic, whole-authority approach will be required with all services contributing to the savings requirement. We will also need to consider alternative service delivery models and explore opportunities to work collaboratively with our partners. It is inevitable that the Authority will be smaller moving forward and service levels in many areas will need to be reduced, or even removed.
- 5.10.12 Over the coming months further transformation projects will be prioritised in line with the Mobilising Team Caerphilly narrative and agreed principles, and firm proposals will be brought forward for scrutiny and subsequent decision-making. It is vital that these proposals are developed at pace and that decisions are made early, in advance of the annual budget setting process.
- 5.10.13 The placeshaping element of the transformation programme will identify investment projects, the financial resources required, and the associated funding strategy. As capital resources are finite, choices will need to be made to agree what priority projects can be delivered. A report will be prepared for Cabinet consideration in the coming months.

5.11 Conclusion

- 5.11.1 This report provides details of the Budget Proposals for 2024/25 based on the WG Provisional Local Government Financial Settlement and subsequent changes that have been notified to date.
- 5.11.2 A balanced budget can be delivered for 2024/25 based on a combination of permanent and temporary savings totalling £31.002m, the one-of use of reserves totalling £10.624m and an increase of 6.9% in Council Tax.
- 5.11.3 The report also provides details of the updated Medium-Term Financial Plan (MTFP), which currently shows a potential savings requirement of £45.213m for the two-year period 2025/26 to 2026/27.
- 5.11.4 The unprecedented scale of the financial challenge facing the Council requires new approaches to service delivery and this will be driven through the Mobilising Team Caerphilly transformation programme. It is vital that service change proposals are developed at pace, and that decisions are made early to ensure that the projected savings requirement for 2025/26 and 2026/27 can be delivered.

6. ASSUMPTIONS

- 6.1 A range of assumptions have been made throughout the report in respect of pay and non-pay inflationary increases, inescapable service pressures, and the level of funding settlements moving forward.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 Budget impact assessments and integrated impact assessments, where required, have been completed and can be accessed through the following links:

Budget Impact Assessments 2024/25

[Link to Budget Impact Assessments 2024 25 - Eng](#)

Integrated Impact Assessments 2024/25

[Link to Integrated Impact Assessments 2024_25 - Eng](#)

[Link to Integrated Impact Assessments 2024_25 - Cym](#)

7.2 The budget proposals include a number of areas where a full integrated impact assessment was deemed to be required due to the potential for impact on persons with protected characteristics or due to social-economic disadvantage. Each impact assessment considers the mitigating factors. The recommendations of each of these are provided below.

7.3 Council Tax

7.3.1 The recommendation is to implement the proposed increase in Council Tax of 6.9% in the context of the significant and unprecedented financial pressures facing the Council.

7.3.2 The effect will be negative but will be minimised for the households suffering the most socio-economic disadvantage by support available through the Council Tax Reduction Scheme. 16,098 households receive support with their Council Tax payments representing 19.93% of all households in the county borough. 13,874 of these households (17.18%) receive the maximum 100% level of support.

7.3.3 In addition to the Council Tax Reduction Scheme, the Caerphilly Cares service has been established, initially as a result of the pandemic, but since extended and enhanced to help mitigate the effects of the cost-of-living crisis and economic disadvantage on vulnerable residents. Advice on benefits maximisation and signposting to sources of support is available through this service.

7.4 Individual Schools' Budgets

7.4.1 In 2024/25 the total cost pressures for schools is estimated at £8.283m. The recommendation is for growth of £5.283m to be provided to schools and that schools themselves manage £3m of the estimated pressures. The £8.283m is based on anticipated pay awards, general non-pay related inflationary pressures and pressures linked to service demand (e.g. increased pupil numbers in our special school and special resource bases). Schools are required under their delegated powers to balance their own individual budgets.

7.4.2 The proposal is necessary in the context of limited funding into the Local Authority, financial pressures (linked to pay awards, other inflationary pressures, and particular service pressures in 2024/25), and a requirement to set a balanced budget for 2024/25.

7.4.3 Although challenging we are working closely with schools to support them with financial planning so that the impact on delivery of education to children will be reduced.

7.5 7.5% increase in Catering Charges

7.5.1 For the Meals Direct service, the recommendation is that this proposal has a largely neutral impact. This service is not a statutory service, and with this price increase the service remains competitive in comparison with private sector competitors.

7.5.2 For the secondary school sector, the recommendation is that this proposal has a largely neutral impact on increasing the school meal set meal tariff price by 7.5%. For those experiencing socio-economic disadvantage, any negative impact is mitigated by any eligible pupils who meet the current criteria being able to have a free meal as part of the service provision.

7.5.3 For the Hive staff restaurant at Penallta House, the conclusion reached is that this proposal has a largely neutral impact on increasing the tariff price by 7.5%. For those experiencing socio-

economic disadvantage, any negative impact is mitigated by having a wide range of low and higher priced items that can be purchased to meet individuals' budgets.

7.6 Temporary Reduction in Library Book Fund

7.6.1 The proposal is a temporary reduction to the Caerphilly Library Service Resource Budget by 20%, equating to a financial reduction of £57,000 for 2024/25.

7.6.2 The temporary saving will be achieved by introducing a number of library service acquisition and operational changes to all new purchased items in all stock categories, by reducing all expenditure lines to meet the savings requirement.

7.6.3 An extensive list of mitigations, where relevant, are highlighted within the Integrated Impact Assessment.

7.7 20% Reduction in Equalities and Welsh Language Training Budget

7.7.1 The proposal is to implement a 20% reduction to the Equalities and Welsh Language Training Budget. This equates to £3,647 less to spend on training in the coming financial year.

7.7.2 It is a statutory requirement for the Council to deliver equalities and Welsh language training to staff in accordance with the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011, and the Welsh Language (Wales) Measure 2011.

7.7.3 It is inevitable that less training will be delivered with less training money available. However, to manage the reduction, training will be prioritised in line with legislation and focus that training to frontline staff in the first instance. Opportunities will be sought to deliver the most cost-effective training in collaboration with the National Learn Welsh Centre, the Welsh Local Government Association (WLGGA) and local authority partners, to ensure that we are meeting our legal requirements.

7.8 10% Increase in Home Care Charge

7.8.1 The recommendation is that this proposal has a largely neutral impact on protected characteristics identified under the Equality Act 2010 and those experiencing socio-economic disadvantage.

7.8.2 Any negative impact is mitigated by a legal framework for charging set out in the Social Services and Wellbeing (Wales) Act 2014 and its supporting regulations, which requires a financial assessment to be undertaken for each service user to ensure that the actual charge an individual pays is capped at an affordable level, irrespective of the hourly rate set by the local authority.

7.9 Close Coffi Vista and Lease Building to the Private Sector

7.9.1 The recommendation is to close the Coffi Vista building and to cease the coffee shop operations. The building would then be marketed as an opportunity for the private sector. Allowing the operation to transfer to the private sector would reduce the subsidy burden and would bolster income through any rental agreed with a private operator.

7.9.2 The proposal is a direct response to the need to identify savings to contribute to the achievement of the Council's reduction in budget of circa £65m over the next three years. The closure of Coffi Vista represents a potential reduction in subsidy of £78,000 plus a potential income of £21,000 from letting the premises.

7.9.3 While the proposal has proven an emotive one through the public consultation, in comparison to other services provided by the Council, this is considered to be one with relatively low impact

on the local population. An extensive list of mitigations, where relevant, including alternative public toilet facilities, are highlighted within the Integrated Impact Assessment.

7.10 Mothball the Winding House while a Community Asset Transfer (CAT) is Explored

7.10.1 The recommendation is to mothball the building and cease operation of the current museum, gallery, shop, and coffee shop while a Community Asset Transfer (CAT) is explored in 2024/25.

7.10.2 In comparison to other services provided by the Council, this is considered to be one with relatively low impact on the local population. While a Community Asset Transfer is explored, people would still be able to enjoy refreshments in the café in the adjacent White Rose Centre. Those benefiting from the museum and associated education provision would be able to continue to enjoy these services as it is anticipated that they would relocate to Llancaiach Fawr Manor.

7.11 Temporarily Hold Two Vacant Community Safety Warden Posts During 2024/25

7.11.1 To contribute to the corporate need to save money at a time of reduced budgets, it is proposed to temporarily cease to fill two vacant Community Safety Warden posts during 2024/25.

7.11.2 The proposal would see remaining Community Safety Warden colleagues stretched to cover more wards across the County Borough per shift, however the service response to support the more vulnerable members of our communities would continue to be prioritised.

8. FINANCIAL IMPLICATIONS

8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

9.1 Where staffing reductions are required as a consequence of savings proposals the Council will firstly try to achieve this through 'natural wastage' and not filling vacancies. However, where this is not possible the Council will utilise agreed HR policies and compulsory redundancies will only be considered as a last resort after all other options have been fully exhausted.

9.2 The Trade Unions have been consulted on the 2024/25 Draft Budget Proposals and will also be fully engaged in proposals to reshape services moving forward.

10. CONSULTATIONS

10.1 Following endorsement by Cabinet on 17 January 2024 to commence a period of public consultation on the draft savings proposals for 2024/25, the consultation ran from Monday 22 January 2024 until Tuesday 13 February 2024.

10.2 The consultation afforded residents and other stakeholder groups various opportunities to offer feedback on the draft savings proposals, including a survey (available online and in hard copy from libraries across the County Borough), an online presence on the Council's digital engagement platform, a number of face-to-face engagement sessions held across the County Borough and targeted stakeholder engagement.

10.3 The exercise was designed to seek the views of residents and key stakeholders in relation to the three key elements of the draft budget proposals, namely, the use of council reserves at this time, the proposed increase in council tax of 6.9% and a draft list of savings proposals (both temporary and permanent) totalling £30.984m. Residents were asked to focus particularly on

the impact of these proposals on themselves/their families and to consider how else the council may make savings.

10.4 337 responses to the survey were received by the consultation closing date, with further views offered through the various face-to-face engagement opportunities. Further, a number of representations were made on a number of the draft savings proposals from wider stakeholders. The full overview of comments received through the consultation can be found at [Council Budget Setting 2024-2025 | The Caerphilly Conversation](#) (English) and [Pennu cyllideb y Cyngor 2024-2025 | Trafodaeth Caerffili](#) (Welsh).

10.5 The key findings from this consultation programme included: -

- 80% of respondents agreed with the proposed one-off use of Council reserves totalling £11.4m for 2024/25. Where there was disagreement, comments referenced the use of additional reserves being appropriate.
- 85% of survey respondents agreed with the Council's approach to focus wherever possible on savings, both temporary and permanent, that would have no direct impact on the public - for example, budget realignment, deletion of vacant posts and other 'back office' efficiencies.
- When giving views on the proposed council tax increase of 6.9% for 2024/25, 31% supported the proposed increase (or greater) and said that they understood the need to increase council tax to maintain services, 38% supported a lower increase and a further 30% indicate that they did not support any increase in council tax.
- The consultation included a further 17 savings proposals, a combination of temporary or permanent, which if supported would potentially impact upon some members of the public.
- It is evident that in relation to a few proposals e.g. Coffi Vista, and the Winding House, residents across the County Borough have polarised/mixed views. This is also seen in relation to the temporary reduction in infrastructure budget and matched funding for community schemes although there was less strength of view in relation to these proposals.
- There is a greater degree of agreement in relation to other proposals e.g. the increase in charges for specialist heritage advice is largely supported while proposals to increase sports pitch charges and the proposal for schools to absorb £3m of the projected cost pressures are generally not supported.

10.6 On 23 January 2024, a Joint Scrutiny Committee meeting was held to consider the draft budget proposals for 2024/25. The key points raised during the meeting were as follows: -

- A Member raised concerns about the public consultation and suggested stands in local supermarkets for future consultations on the budget. The Member also expressed concerns over a proposed 20% increase for the cost of booking sports pitches. The Member requested that Cabinet consider reducing this proposed increase. Members were provided with information on the consultation survey and various drop-in sessions for residents across the County Borough, it was also highlighted that new ways of consulting were always under consideration but there were limited resources for this process.
- Members were also advised that media reports suggesting that the cost of booking sports pitches was going to be £54.00 an hour were incorrect, the proposal was to charge £54.06 per senior match played. Members were informed of the actual costs of providing a pitch and pavilion for a senior match, which did not include energy costs incurred, with the proposed cost being lower than those charged by some other Local Authorities.
- A Member requested that the Council Leader acknowledge the opposition to the proposal to close "Coffi Vista" in Caerphilly town centre. The Member noted that a video he had posted on social media against the closure had attracted over 1,000 supporting comments. The Council Leader gave assurances that public views were always considered and highlighted the difference between public consultation and a referendum. It was the Leader's view that this facility should be run by the private sector rather than

being subsidised by the Council at a cost of £100,000 a year. Members heard how the views of residents would be listened to within the confines of extremely tight budgets. The Council Leader also highlighted the £66m shortfall in funding over the next three years.

- Discussion followed and the Member highlighted that the facility was more than just a coffee shop as it was also a gallery for local artists, an information centre and it offered public convenience facilities. Another Member requested a full public consultation on this issue. The meeting heard how it would not be practical to consult on every individual proposal. A Member requested clarification on whether it was proposed that the facility would be closed or put out for tender. Members were advised that the proposal was to close the facility with the potential to attract alternative providers in the future.
- A Member sought clarification on the use of grants to pay some of the Caerphilly Cares team. Members were provided with information on a number of grants available through the Regional Partnership Fund, the use of reserves held within social care, and also the cost-of-living reserves.
- A Member queried the impact of increasing the vacancy savings target in the Social Services budget, reducing the contribution to the Gwent Frailty Service and also the subsidy for caretaker costs at Community Centres. Members were advised that the increase in the vacancy factor would have no impact on the level of provision and reflected the recruitment challenges currently being faced. On the issue of the Gwent Frailty Service, Members heard how the reduction in contributions was due to reduced reliance on the service as more functions were being performed in-house instead. Members were advised that the phased reduction in caretaker hours for Community Centres over a 3-year period was a decision agreed as part of last year's budget.
- A Member requested that the decision to close "Coffi Vista" be delayed for 6 months to allow business to build-up at the facility. Members were advised that delaying any of the budget proposals was a matter for Members during discussions at Council. The Council Leader then advised Members that the consultation would not be put on hold.
- A Member queried how despite required savings, the Council was able to invest £21m in gilts and bonds and therefore increase its investment portfolio from £164m to £185m between March and September last year. The Member wished to know where the £21m came from during that period. Members were advised that £21.9m was invested in that period and that none of these investments were in gilts or other long-term investments. Members were further advised that the investments that had been made would all mature in the 2024 calendar year. Members heard that the £21.9m consisted of investments in bonds and fixed-term deposits (£15.6m), an increase in deposits with the HM Treasury Debt Management Office (£9.5m), and a £3.2m reduction in investments with other Local Authorities and Housing Associations. Members heard how the Council had operating costs of over £850m a year, so at different times of the year there would be varying levels of cash available and fluctuations in the level of investments. Members were also advised that Council investments are directly linked to reserves and that currently the investment balance was £160.5m.
- A Member queried why consultation sessions were only taking place at Libraries in Rhymney, Risca and Blackwood. The Member also queried if the Dragons regional rugby club would also face the same increase as local sports clubs for booking pitches. The Member advised that the Dragons used the Sporting Centre of Excellence in Ystrad Mynach. Members were provided with details of eight drop-in sessions across the County Borough, including the Library Hub in Ystrad Mynach. Members also heard about an online version of the survey for those who could not attend in-person sessions. Members were also advised that the Dragons, Coleg y Cymoedd and the Welsh Rugby Union had a contract to use the Sporting Centre of Excellence during daytime hours. Members heard how the Dragons contract was currently being renegotiated, but the fees would be considerably higher than the report proposal under discussion.

- A Member sought clarification on potential savings as a result of the community asset transfer of the Winding House. Members were advised that indications were that the asset transfer would be successful and therefore permanent savings could be made as a result.
- A Member queried the help available to residents who were working but because of low incomes found the current climate challenging. Members were provided with details of the Council Tax Reduction Scheme, the Cost-of-Living Fund and also highlighted the service provided by the Caerphilly Cares team.
- A Member raised concerns over the 6.3% reduction in specific revenue grants and the potential impact on education. The Member also sought clarity on the consolidation of education grants. Members were advised that the Council was still awaiting specific details on the all-Wales reductions which will impact on all service areas. Whilst support would be provided, the working assumption was that service areas would have to absorb the financial impact of these reductions. Members were provided with information on the four new funding streams for education, with more local information to be received from Welsh Government. Additional information regarding the four funding streams, as requested, was to be circulated to Members following the meeting.
- A Member noted concerns over the 'freezing' of Community Safety Warden posts, the proposed 10% reduction of the Music Service, proposed cuts impacting Community Centres and increasing the fee for booking sports pitches. On the proposed closure of "Coffi Vista" the Member asked about future plans for the provision of tourist information. The Leader highlighted to Members that "Coffi Vista" had not been a tourist information centre for some time. The Leader also advised that tourist information was available via digital platforms and smartphones. Members also heard that the provision of Community Safety Wardens was non-statutory, and that the Music Service had achieved Gold Standard. The Leader stressed that alternative budget proposals from the opposition parties are welcomed for consideration.
- A Member sought clarification on the need to increase Council Tax by 6.9%, considering the underspend last year and in previous years. The Member also requested an update report outlining the work of the Mobilising Team Caerphilly transformation programme and the projects under discussion. Members were advised that all underspends in recent years have been reinvested into the Council and were an important part of balancing the budget. Members heard how the forecasted underspend of £3.6m for 2024/25, compared to circa £8.6m for 2022/23, demonstrated the challenging economic situation currently faced. Members were advised that Mobilising Team Caerphilly had a £5m savings target for 2024/25, but as the Council faced a £46.7m savings requirement for the following two years, the programme would be expected to submit significant further savings moving forward. Members were also advised that these projects would be subjected to full scrutiny and consideration by Members as and when the projects are ready. Members were also invited to attend the weekly sessions with Perago, which are held in Ty Penallta and online, and it was also proposed that a Members' Seminar would be held in the next 4 to 6 weeks.
- A Member noted that opposition parties could not ask Officers to prepare an alternative budget for them and also raised concerns on the £3m savings required from schools. The Member also asked about the engagement with schools and the support available to them. Members were advised that Officers did not set the budget for the Council. They provided professional advice and support but responsibility for setting the budget rested with Council. Members were given details of the engagement that had taken place over the savings required and advised that Headteachers had been proactive and largely supportive in the context of the challenging financial environment.
- A Member sought clarification on whether there would be penalties for recalling any investments and requested that Cabinet review the investment portfolio to see if money could be used to support this year's financial budget. Members were advised that there

would be financial penalties for early withdrawal of investments. Members were also advised that all investments were in line with the Council's Investment Strategy which is approved by Council annually as part of the wider Treasury Management Strategy. It was also reiterated that investments were linked to reserves and using them to balance budgets was only a temporary measure that is not sustainable in the medium to longer-term.

- A Member reiterated their request to have an update report on the work of the Mobilising Team Caerphilly transformation programme and the projects under discussion. Members were again advised that there was a weekly update session open to everyone, every Wednesday at 09:30. This was available online or in-person in Penallta House. Members also heard about a proposed Seminar in the coming weeks and a page on the Council's Intranet which outlines the latest developments via video updates and blogs.
- The Head of Financial Services and S151 Officer outlined his views on the scale of the challenges faced. Members heard how some Local Authorities in England had issued Section 114 notices because they cannot balance their budgets. Members also heard how transitional budgets that relied on temporary savings and using reserves were not sustainable, and in the coming years some unpopular decisions will have to be made to address the significant financial gap of £46.7m facing the Council.

10.7 On 6 February 2024, a Special Meeting of the Voluntary Sector Liaison Committee was held to consider the draft budget proposals for 2024/25. The key points raised during the meeting were as follows: -

- A representative of the Voluntary Sector sought clarification and further information on how the budget cuts will affect community groups and projects. In response, the Head of Financial Services and S151 Officer informed the Committee that the Service Level Agreements with GAVO are protected and that those financial contributions will continue in the 2024/25 financial year. However, it was highlighted that there are some proposals that will impact communities, for example the proposed increase in fees for the use of outdoor sports pitches. It was further highlighted that there are savings proposals on some community projects, such as funding that has previously been used to support the Bargoed Ice Rink and Senghenydd Splash Pad.
- Reference was made to the Welsh Government Provisional Local Government Financial Settlement for 2024/25. In response to a query, the Head of Financial Services and S151 Officer clarified that there is no specific funding ringfenced in the Financial Settlement for the Voluntary Sector and that the Authority has discretion as to how the funding is allocated across all services.
- The Committee was informed of a cut of circa £92m in specific grant funding on an All-Wales basis for 2024/25 and was advised that the details of this are being worked through as there will be an impact on a range of services that rely on this grant funding. The Committee was assured that any impact on the Voluntary Sector would be communicated.
- Concerns were raised regarding a number of Councils in England issuing Section 114 Notices in recent years and that it is anticipated a number of other Councils will issue Section 114 Notices moving forward. The Head of Financial Services and S151 Officer explained that a Section 114 Notice effectively means that a Council is unable to deliver a balanced budget. It was highlighted that Councils in Wales are more heavily reliant on Welsh Government support, and although no Section 114 Notices have been issued in Wales, all authorities are facing considerable financial pressures. The Committee was informed that, in terms of Caerphilly County Borough Council, a balanced budget has been delivered by using some of its reserves, but this is not a sustainable approach in the long-term. The Head of Financial Services and S151 Officer assured the Committee that Caerphilly County Borough Council was not in position where a Section 114 Notice is being considered.

- Clarification and further information were sought regarding the proposal to temporarily fund a number of posts in the Caerphilly Cares Team through grants. It was agreed that the Head of Financial Services and S151 Officer would provide a summary of which grants are supporting the Caerphilly Cares Team subsequent to the meeting.
- Reference was made to 100% of the net projected underspend on the Council's 2023/24 revenue budget being transferred into General Fund balances, particularly in relation to the Voluntary Sector. The Head of Financial Services and S151 Officer confirmed that the Grants to the Voluntary Sector budget is ringfenced and that any underspend on the 2023/24 budget will be carried forward to the 2024/25 financial year.
- A query was raised regarding the likelihood of receiving more money from Welsh Government and the scope for changing some of the draft savings proposals, particularly in relation to Community Centre caretaking costs. The Committee was advised that there will be some additional consequential funding due to a recent decision made by the UK Government, and that details are awaited from the Welsh Government. It was highlighted that the reduction in the contribution towards caretaking costs (over a period of 3 years) was a decision made by Council last year.
- A representative of the Voluntary Sector raised further questions in relation to Community Centres, including how many of the Council's Community Centres have made their increased contribution from October as requested. The opportunity for Community Centres to work with Officers to discuss a long-term review was also raised. Concerns were expressed that the Council is duplicating some of the work undertaken in Community Centres and at a far greater cost than the Voluntary Sector is providing. It was highlighted that this might be an area to create savings without removing the service from local users. The Head of Financial Services and S151 Officer advised the Committee that all the comments will be passed to the relevant Director and Officers, and they will also be captured as part of the budget consultation process.
- In conclusion, a Member raised concerns regarding the proposed increase in fees for the use of outdoor sports pitches, which was noted by the Head of Financial Services and Section 151 Officer.

10.8 The 2024/25 Draft Budget Proposals were shared with the Trade Unions and written joint feedback has been received from UNISON, GMB and UNITE. A meeting was also held with the Trade Unions on 15 February 2024. The Trade Unions' feedback and Officer responses (in italics) is attached at Appendix 7.

11. STATUTORY POWER

11.1 The Local Government Acts 1998 and 2003.

Authors: Dave Street, Deputy Chief Executive
(Email: streed@caerphilly.gov.uk)

Stephen Harris, Head of Financial Services and S151 Officer
(E-mail: harrisr@caerphilly.gov.uk)

Consultees: Cllr Eluned Stenner, Cabinet Member for Finance and Performance
(Email: stenne@caerphilly.gov.uk)
Richard Edmunds, Corporate Director for Education and Corporate Services
(Email: edmunre@caerphilly.gov.uk)
Mark S Williams, Corporate Director for Economy and Environment
(Email: willims@caerphilly.gov.uk)
Gareth Jenkins, Interim Corporate Director for Social Services

Email: jenkig2@caerphilly.gov.uk)
Robert Tranter, Head of Legal Services and Monitoring Officer
(Email: trantrj@caerphilly.gov.uk)
Leanne Sykes, Deputy Head of Financial Services and S151 Officer
(Email: sykesl@caerphilly.gov.uk)
Andrew Southcombe, Finance Manager, Corporate Finance
(Email: southak@caerphilly.gov.uk)

Appendices: -

Appendix 1 – Net Revenue Budget 2024/25
Appendix 2 – 2024/25 General Fund Inescapable Service Pressures
Appendix 3 – 2024/25 Savings Proposals
Appendix 4 – Movement on General Fund
Appendix 5 – Capital Programme 2024/25 to 2026/27
Appendix 6 – Updated Medium-Term Financial Plan
Appendix 7 – Draft Budget Proposals 2024/25 Joint Trade Union Feedback

Background Papers: -

Cabinet (15/11/23) – [Mobilising Team Caerphilly Governance Arrangements](#)
Cabinet (17/01/24) – [Draft Budget Proposals for 2024/25](#)

Gadewir y dudalen hon yn wag yn fwriadol

NET REVENUE BUDGET 2024/25

	£'000	£'000
Base Budget 2023/24		439,072
General Fund Services Inflationary Cost Pressures		
National Joint Council (NJC) Pay Award	8,869	
Increase in Employer Pension Contributions (NJC Staff)	1,245	
Non-Pay Inflation	2,673	
Non-Pay Inflation (Fees and Charges)	(853)	11,934
General Fund Inescapable Service Pressures		
Corporate Services	299	
Miscellaneous Finance	1,986	
Social Services	10,448	
General Fund Housing	1,004	13,737
Transfers into the Settlement		303
Schools Cost Pressures		
Teachers Pay Award	5,951	
National Joint Council (NJC) Pay Award for School Based Staff	724	
Increase in Employer Pension Contributions (NJC Staff)	188	
Non-Pay Inflation	826	
Schools Service Pressures	594	8,283
Reinstatement of 2023/24 Temporary Savings		6,862
Savings 2024/25		
Permanent savings proposals	(19,552)	
Temporary savings proposals	(11,449)	(31,002)
Proposed Expenditure		449,190
Funding		
WG Support		(348,864)
Council Tax (6.9 %)		(88,652)
One-off Contribution from General Fund Reserve		(1,050)
One-off Contribution from General Fund Earmarked Reserves		(10,624)
Total Funding		(449,190)

Gadewir y dudalen hon yn wag yn fwriadol

2024/25 General Fund Inescapable Service Pressures

Directorate	Service Area	Details	2024-25 Growth
			(£)
Corporate Services	Digital Services	Migration of Schools Information Management System (SIMS) to Cloud platform.	76,734
Corporate Services	Digital Services	Migration of Pay 360 income management system to Cloud platform.	48,311
Corporate Services	Digital Services	New Fleet Management Software (Chevin).	48,480
Corporate Services	Digital Services	Additional licences for the rollout of Intranet in schools	6,468
Corporate Services	Human Resources	Contribution to new Learning Management System Consortium (ThinQ)	40,274
Corporate Services	Legal & Governance	Additional budget provision for increase in Members' Allowances from April 2024.	78,860
Sub-Total: -			299,127
Corporate Services	Miscellaneous Finance	33.26% increase in the Coroner's Levy.	132,546
Corporate Services	Miscellaneous Finance	1.19% increase in the Levy for Glamorgan Archives.	1,180
Corporate Services	Miscellaneous Finance	2.70% increase in the Levy for Gwent Archives	4,169
Corporate Services	Miscellaneous Finance	4.12% increase in the Fire Service Levy.	428,008
Corporate Services	Miscellaneous Finance	Contribution to Valleys Regional Park partnership.	30,000
Corporate Services	Miscellaneous Finance	4.28% increase in contribution to City Deal Programme Office	6,194
Corporate Services	Miscellaneous Finance	The Authority is required to fund a Council Tax Reduction Scheme (CTRS). This replaced Council Tax Benefit a number of years ago and is a means-tested benefit that assists in full or part towards a resident's Council Tax bills. The additional liability arises from the proposal to increase Council Tax by 6.9% in 2024/25.	1,177,082
Corporate Services	Miscellaneous Finance	Contract price increases are being experienced in respect of both public bus services and home to school transport. It is proposed that a contingent sum of £409k is held corporately pending a review of commitments moving forward.	409,000
Corporate Services	Miscellaneous Finance	Adjustment required to reflect the net reduction in the Provisional Financial Settlement of £202k in relation to the tapering of WG funding for Private Finance Initiative (PFI) Schemes.	(202,000)
Sub-Total: -			1,986,179
Social Services	Children's Services	Increased demand and complexity of Children's placements.	585,000
Social Services	Children's Services	Anticipated increases in fees for independent sector providers in relation to the Real Living Wage and wider inflationary pressures.	1,210,000
Social Services	Adult Services	Increased demand for care packages for vulnerable adults.	2,171,000
Social Services	Adult Services	Anticipated increases in fees for independent sector providers in relation to the Real Living Wage and wider inflationary pressures.	6,482,000
Sub-Total: -			10,448,000
Social Services	General Fund Housing	Temporary Accommodation - Further significant increase in Bed & Breakfast placements.	1,004,175
Sub-Total: -			1,004,175
TOTAL: -			13,737,481

Gadewir y dudalen hon yn wag yn fwriadol

2024/25 Savings Proposals

Reference Number	Directorate	Service Area	Details	2024-25 Permanent Savings	2024-25 Temporary Savings
				(£)	(£)
CS1	Corporate Services	All	Adjustment to gross pay budgets to incorporate vacancy management.	734,501	
CS2	Corporate Services	All	Reduction in mileage budgets to reflect new flexible working models.	7,612	
CS3	Corporate Services	All	20% reduction in staff training budgets.	39,878	
CS4	Corporate Services	Chief Executive	Budget realignment on various non-pay budgets.	4,215	
CS5	Corporate Services	Director	Budget realignment on various non-pay budgets.	5,558	
CS6	Corporate Services	Corporate Finance	Head of Corporate Finance - Budget realignment on various non-pay budgets.	2,818	
CS7	Corporate Services	Corporate Finance	Internal Audit - Minor restructuring of Team.	54,280	
CS8	Corporate Services	Corporate Finance - Housing Benefits	Housing Benefits - Deletion of vacant 0.81 FTE Benefits Assessor post.	28,963	
CS9	Corporate Services	Digital Services	Digital Services Manager post temporarily funded through the Housing Revenue Account (HRA) and reserves.		93,310
CS10	Corporate Services	Digital Services	IT Public Sector Broadband Aggregation (PSBA) saving - Temporary until outcomes of analogue switch off confirmed.		50,000
CS11	Corporate Services	Digital Services	IT fixed telephone lines.	20,000	
CS12	Corporate Services	Customer Services	Cash in Transit (no longer required).	5,000	
CS13	Corporate Services	Customer Services	Photocopying (no longer required).	5,000	
CS14	Corporate Services	Customer Services	Customer Service Centres - Premises cleaning (temporary until decision on buildings). No impact on cleaning staff as sites are currently closed.		2,280
CS15	Corporate Services	Customer Services	Saving in National Non-Domestic Rates (NNDR).	1,000	
CS16	Corporate Services	Procurement	Rebate income from Food Procurement Framework.		50,000
CS17	Corporate Services	Legal & Governance	Deletion of vacant Grade 5 Administrative Assistant post.	36,200	
CS18	Corporate Services	Legal & Governance	Deletion of vacant Grade 6 Complaints Officer post.	40,095	
CS19	Corporate Services	Legal & Governance	Reduction in postage budget.	5,000	
CS20	Corporate Services	Legal & Governance	Additional grant income.	5,000	
CS21	Corporate Services	Human Resources	Deletion of MeUS Leadership Programme budget.	68,250	
CS22	Corporate Services	Human Resources	Deletion of vacant Grade 12 Human Resources Manager post.	71,792	
CS23	Corporate Services	Human Resources	Apprenticeship Budget - 2024/25 costs to be funded from reserves.		262,500
CS24	Corporate Services	Business Improvement Services	Reduction in the budget for external Welsh Language Translation	20,000	
CS25	Corporate Services	General Fund Housing	Private Sector Housing - Budget realignment to reflect historical underspends.	32,000	
CS26	Corporate Services	General Fund Housing	Private Sector Housing - One-off contribution from agency fee income.		200,000
Sub-Total: -				1,187,162	658,090
MF1	Corporate Services	Miscellaneous Finance	Additional investment income due to increases in the Bank of England Base Rate.	3,224,628	
MF2	Corporate Services	Miscellaneous Finance	No revenue contribution to Capital Programme for 2024/25 only.		3,452,148
MF3	Corporate Services	Miscellaneous Finance	Uncommitted free school meals grant transferred into the financial settlement in previous years - reflects historical financial position.	322,250	
MF4	Corporate Services	Miscellaneous Finance	Former Authorities pension contributions budget realignment.	150,000	
MF5	Corporate Services	Miscellaneous Finance	City Deal Debt Charges - Temporary saving to reflect no requirement to borrow in 2024/25.		757,306
MF6	Corporate Services	Miscellaneous Finance	Deletion of uncommitted Targeted Rate Relief budget.	247,751	
MF7	Corporate Services	Miscellaneous Finance	Temporary saving on IT Replacement Strategy budget pending assessment of ongoing need.		148,644
MF8	Corporate Services	Miscellaneous Finance	Deletion of the Matched Funding for Community Schemes budget.	16,783	
MF9	Corporate Services	Miscellaneous Finance	Deletion of Miscellaneous Items budget - no call on budget.	94,899	
MF10	Corporate Services	Miscellaneous Finance	Budget realignment on the Council Tax Reduction Scheme (CTRS) budget to reflect current commitments.	250,000	
MF11	Corporate Services	Miscellaneous Finance	Temporary reduction in debt charges budget due to there being no requirement to borrow in the 2024/25 financial year.		1,141,168
MF12	Corporate Services	Miscellaneous Finance	Clawback of part of the energy growth approved in the 2023/24 budget following a review of actual costs being incurred in-year.	999,000	
Sub-Total: -				5,305,311	5,499,266
EE1	Economy & Environment	All	Adjustment to gross pay budgets to incorporate vacancy management.	811,261	
EE2	Economy & Environment	All	Reduction in mileage budgets to reflect new flexible working models.	13,300	
EE3	Economy & Environment	All	20% reduction in staff training budgets.	41,847	
EE4	Economy & Environment	Regeneration	Business Enterprise and Renewal Team budget realignments.	34,000	
EE5	Economy & Environment	Regeneration	Business Support and Funding - Increased rental income from industrial portfolio.	30,000	
EE6	Economy & Environment	Regeneration	Reduction in tourism venue subsidies.	30,000	
EE7	Economy & Environment	Regeneration	Community Projects budget realignments.	3,182	
EE8	Economy & Environment	Regeneration	Temporary reduction in Caerphilly Enterprise Fund budget to be funded through grant.		50,912
EE9	Economy & Environment	Regeneration	Temporary reduction in the Events budget to be funded through grant.		91,511
EE10	Economy & Environment	Regeneration	Close Coffi Vista and lease building to private sector (possible additional income with the lease). Staff to be redeployed.	78,044	

2024/25 Savings Proposals

Reference Number	Directorate	Service Area	Details	2024-25 Permanent Savings	2024-25 Temporary Savings
				(£)	(£)
EE11	Economy & Environment	Regeneration	Mothball the Winding House while a Community Asset Transfer (CAT) is explored. Staff will temporarily transfer to alternative buildings. The engine will continue to be run by volunteers on a monthly basis as it does at present.		93,000
EE12	Economy & Environment	Planning	Additional income from charging for specialist heritage advice.	2,000	
EE13	Economy & Environment	Planning	Introduction of new fee for street naming and numbering.	2,000	
EE14	Economy & Environment	Infrastructure	Temporary reduction in the Infrastructure budget.		922,000
EE15	Economy & Environment	Corporate Property	Property Rationalisation Phase 1 - Consolidation of staff onto Tredomen campus and the closure of a number of back office satellite sites. The savings relate to the reduced running costs relating to the closure of offices and rental income realised as a result.	175,000	
EE16	Economy & Environment	Corporate Property	Temporary 20% reduction in non-essential Building Maintenance budgets - The main council buildings have been invested in previously and are capable of sustaining a further year of delayed maintenance. This would consist of non-urgent or non-essential works being delayed for future years when the funding is available. This saving has been made this year and at the time of writing the saving has caused minimal disruption, it should however be noted that key proactive maintenance tasks will still need to be performed in future years.		150,000
EE17	Economy & Environment	Corporate Property	FM Maintenance Savings 20% - Buildings managed by the facilities management team have been invested in previously and are capable of delayed maintenance. This would consist of non-urgent or non-essential works being delayed for future years when the funding is available. This saving has been made this year and at the time of writing the saving has caused minimal disruption, it should however be noted that key proactive maintenance tasks will still need to be performed in future years.		150,000
EE18	Economy & Environment	Corporate Property	Commercial Property income - Rent reviews on key commercial buildings to bring income in line with market terms.	150,000	
EE19	Economy & Environment	Corporate Property	Energy savings - The installation of a new heat pump at Ty Penallta will generate financial savings alongside further schemes on council buildings which will be developed in the coming months.	150,000	
EE20	Economy & Environment	Public Protection	Hold 2 vacant Community Safety Warden posts pending the outcome of a wider enforcement review.		80,000
EE21	Economy & Environment	Community & Leisure Services	Temporary reduction in RDP match-funding budget to be funded by grant.		135,381
EE22	Economy & Environment	Community & Leisure Services	Tapered reduction of 4 hours in the subsidy for Caretaker costs in Community Centres over a three-year period from October 2023 (approved as part of 2023/24 budget).	35,171	
EE23	Economy & Environment	Community & Leisure Services	Tapered withdrawal of the subsidy for Markham Community Leisure Centre over a three-year period from April 2023 (approved as part of 2023/24 budget).	3,334	
EE24	Economy & Environment	Community & Leisure Services	Tiered increase in fees for the use of outdoor sports pitches (rugby, football, and cricket). Senior age groups will have a higher proportion of the increase than junior/youth/mini age groups.	12,750	
EE25	Economy & Environment	Community & Leisure Services	Increase fees for Knotweed and other invasive species treatment plans from £360 to £500.	4,600	
EE26	Economy & Environment	Community & Leisure Services	Temporary reduction in the Cemeteries Maintenance Budget.		40,000
Sub-Total: -				1,576,489	1,712,804
SS1	Social Services	Children's Services	Balance of budget for an Administrative Assistant role in the Safeguarding & Review Team that is no longer required following a previous restructure.	8,735	
SS2	Social Services	Children's Services	Budget for 0.50 FTE Administrative Assistant in the Secretariat Team no longer required following re-deployment of postholder.	16,742	
SS3	Social Services	Children's Services	Budget for 0.50 FTE Clerical Assistant in the Complaints and Information Team that is no longer required following a part-time appointment to a full-time role.	16,410	
SS4	Social Services	Children's Services	Management, Fieldwork and Administration vacancy savings target temporarily increased from 4.5% to 9% to reflect current staff turnover and recruitment difficulties.		485,643
SS5	Social Services	Adult Services	Management, Fieldwork and Administration vacancy savings target temporarily increased from 4.5% to 9% to reflect current staff turnover and recruitment difficulties.		419,075
SS6	Social Services	Adult Services	Minor Works of Adaptation costs to be temporarily funded from grant for a period of 2 years.		243,370
SS7	Social Services	Adult Services	Temporary reduction in contribution to Gwent Frailty Pooled Fund, reflecting recurrent underspends in previous years.		55,000
SS8	Social Services	Adult Services	Additional client contributions following increased occupancy levels in Own Residential Care.	400,000	
SS9	Social Services	Adult Services	Budget realignment on Supported Employment contract.	8,000	
SS10	Social Services	Adult Services	Temporary adjustment to Home Assistance and Reablement budget to reflect current difficulties in recruiting carers and securing care packages.		1,050,000
SS11	Social Services	Adult Services	10% increase in hourly charge for Home Care.	26,000	

2024/25 Savings Proposals

Reference Number	Directorate	Service Area	Details	2024-25 Permanent Savings	2024-25 Temporary Savings
				(£)	(£)
SS12	Social Services	Adult Services	Budget realignment for contribution to the Learning and Development Pooled Budget.	25,000	
SS13	Social Services	Service Strategy & Business Support	Reduction in contribution to the Regional Partnership Team.	25,000	
SS14	Social Services	Service Strategy & Business Support	A number of posts in the Caerphilly Cares Team to be temporarily funded through grants.		291,887
Sub-Total: -				525,887	2,544,975
ELL1	Education & Lifelong Learning	All	Vacancy management/staff turnover in Central Education.		180,000
ELL2	Education & Lifelong Learning	All	Reduction in mileage budgets in Central Education to reflect new flexible working models.	4,000	
ELL3	Education & Lifelong Learning	All	20% reduction in training budgets across Central Education.	1,600	
ELL4	Education & Lifelong Learning	21st Century Schools	50/50 Building maintenance (LA/Schools). Temporary savings proposal, recommendation to fund (to this value) from earmarked LMS Contingency balances in 2024/25.		346,320
ELL5	Education & Lifelong Learning	Adult Education	Adult Education - Additional income generation linked to economies of scale/shared costs with project to 31 March 2025. Short-term reduction in premises maintenance costs due to recent investment.		60,000
ELL6	Education & Lifelong Learning	Libraries	Book funding reduction.		57,000
ELL7	Education & Lifelong Learning	Administration	Restructure in Administration Team.	30,450	
ELL8	Education & Lifelong Learning	Early Years	Rising 3's budget (reduction based on recent spend/trends). Spend driven by requests from families for places.		20,000
ELL9	Education & Lifelong Learning	Early Years	Early Years Central Team - Some posts being funded by grant.		150,000
ELL10	Education & Lifelong Learning	Youth Service	Reduction in service budget (temporary saving) - Rationalisation with regards to premises; in-year savings linked to staff turnover/vacancies; maximising efficiencies linked to service resources and external grants.		125,000
ELL11	Education & Lifelong Learning	School Improvement	Education Improvement Grant (EIG) match funding. This reduction has no impact for schools and reflects an in-year underspend in 2023/24. The Authority's match funding commitment is fully met after this reduction.	32,000	
ELL12	Education & Lifelong Learning	School Improvement	Education Achievement Service (EAS) - 10% reduction in core contribution to Regional Consortia.	88,260	
ELL13	Education & Lifelong Learning	Inclusion & ALN	Vacant Post (Hours) - Behaviour Support Team.	56,700	
ELL14	Education & Lifelong Learning	Inclusion & ALN	Vacant Post (Hours) - Education Other Than at School (EOTAS) Team.	15,225	
ELL15	Education & Lifelong Learning	School Improvement	Local Management of Schools (LMS) Contingency. This budget supports ad hoc in-year school formula issues and recent trends have indicated that this reduction is achievable. Should any issues arise would look to access earmarked LMS Contingency Reserves (subject to appropriate approval).		25,000
ELL16	Education & Lifelong Learning	All	Police Checks (reduction based on recent spend/trends).		5,000
ELL17	Education & Lifelong Learning	All	External Audit Fees (reduction based on recent spend/trends).	5,000	
ELL18	Education & Lifelong Learning	All	General Computer Costs (reduce budget).	10,000	
ELL19	Education & Lifelong Learning	Post 16	14-19 Transport (Post 16). This reduction is linked to an underspend in recent years.	5,000	
ELL20	Education & Lifelong Learning	Music Service	Music Service - 10% saving on the service budget, which will impact delivery hours for pupils.		41,000
ELL21	Education & Lifelong Learning	School Improvement	School Improvement - Funding allocated to support schools in difficulty. No schools in a statutory category since beginning of 2023.		20,000
ELL22	Education & Lifelong Learning	All	Vacant Properties (one-off). Costs associated with site security and utility costs. Reduction based on anticipated budget capacity in 2024/25.		5,000
ELL23	Education & Lifelong Learning	Early Years	Childrens Centre - External contract ending in 2023/24. Changes to develop registered childcare provision, funding to be supported through grants.	36,000	
Sub-Total: -				284,235	1,034,320
ELL24	Education & Lifelong Learning	Schools	Schools to absorb £3m of 2024/25 projected cost pressures of £8.283m.	3,000,000	
Sub-Total: -				3,000,000	0
ALL1	All Directorates	All	Mobilising Team Caerphilly Transformation Programme in-year savings target for 2024/25.	5,000,000	
ALL2	All Directorates	All	General Fund Services non-pay inflationary pressures to be absorbed by services. A range of spend control measure are in the process of being developed through the Mobilising Team Caerphilly Transformation Programme to assist budget holders in managing down these inflationary pressures.	2,673,000	
Sub-Total: -				7,673,000	0
TOTALS: -				19,552,084	11,449,455

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MOVEMENT ON GENERAL FUND

	£'000	£'000
Opening Balance 01/04/2023		35,016
2023/24 Budget Strategy Contribution (in lieu of Council Tax Surplus)		(1,050)
One-off Contribution to Support 2023/24 Budget		(15,345)
Use of Funds Previously Agreed by Council: -		
Funding of 2022/23 General Fund Housing Deficit	(802)	
Funding of 2022/23 Private Housing Deficit	(200)	
Funding of 2022/23 Economy & Environment Deficit	(494)	
In-year Impact of 2023/24 NJC Pay Award	(1,959)	
	<u>(1,959)</u>	(3,455)
Current General Fund Balance		15,166
Net Take to General Fund from Projected 2023/24 Outturn		4,898
Funds Released to General Fund Following Review of Balances: -		
Service Earmarked Reserves	3,719	
Service Over/Underspend Reserves	17	
Insurance Reserve	2,000	
	<u>2,000</u>	5,736
2024/25 Budget Strategy Contribution (in lieu of Council Tax Surplus)		(1,050)
One-off Contribution to Support 2024/25 Budget		(10,624)
Projected Balance 31/03/2024		14,126

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Capital Programme - 2024/25 to 2026/27

Service Area	Project Name	2024/25 (£)	2025/26 (£)	2026/27 (£)
BUSINESS ENTERPRISE & RENEWAL TEAM	Car Park Pontymister	163,742		
BUSINESS ENTERPRISE & RENEWAL TEAM	Caerphilly Castle Coach Pull-In	258,978		
BUSINESS ENTERPRISE & RENEWAL TEAM	Town Centre Improvements	18,000	18,000	18,000
BUSINESS ENTERPRISE & RENEWAL TEAM	Navigation Colliery Site Regeneration	8,859		
BUSINESS ENTERPRISE & RENEWAL TEAM	Cwm Ifor Solar Farm	1,037,301		
BUSINESS ENTERPRISE & RENEWAL TEAM	Caerphilly Enterprise Fund	80,000	80,000	80,000
BUSINESS ENTERPRISE & RENEWAL TEAM	Cemeteries	274,473		
BUSINESS ENTERPRISE & RENEWAL TEAM	Sport Pitches	90,481	30,000	30,000
BUSINESS ENTERPRISE & RENEWAL TEAM	Environmental Schemes	200,000	200,000	200,000
BUSINESS ENTERPRISE & RENEWAL TEAM	Caerphilly Wellbeing Centre	14,003,432	17,667,040	
BUSINESS ENTERPRISE & RENEWAL TEAM	Playgrounds	504,370		
CORPORATE SERVICES	IT Hardware & Software	200,000	200,000	200,000
EDUCATION & LIFELONG LEARNING	Trinity Fields School	9,300,000	3,919,082	
EDUCATION & LIFELONG LEARNING	Centre For Vulnerable Learners	13,428,111		
EDUCATION & LIFELONG LEARNING	Llanfabon Primary	3,626,454		
EDUCATION & LIFELONG LEARNING	Plasyfelin Primary	8,841,675		
EDUCATION & LIFELONG LEARNING	Ysgol Y Llawnt/ Upper Rhymney School	3,534,791	10,841,712	3,228,637
EDUCATION & LIFELONG LEARNING	Health & Safety Works	321,000	321,000	321,000
EDUCATION & LIFELONG LEARNING	Basic Needs Accommodation	250,000	250,000	250,000
EDUCATION & LIFELONG LEARNING	School Security	101,000	101,000	101,000
EDUCATION & LIFELONG LEARNING	Asset Management	550,000	550,000	550,000
EDUCATION & LIFELONG LEARNING	School Boiler Replacement Programme	200,000	200,000	200,000
EDUCATION & LIFELONG LEARNING	Education Capital Grant	2,714,674		
EDUCATION & LIFELONG LEARNING	ALN Capital Grant	801,575		
EDUCATION & LIFELONG LEARNING	Schools To Community Grant	284,193		
EDUCATION & LIFELONG LEARNING	Virginia Park	375,000		
EDUCATION & LIFELONG LEARNING	Ysgol Trelyn Demountable	120,000		
EDUCATION & LIFELONG LEARNING	Total Childcare/Welsh Grant for 24-25	3,551,679		
EDUCATION & LIFELONG LEARNING	Glanynant	270,000		
EDUCATION & LIFELONG LEARNING	Crumlin Junction	300,000		
INFRASTRUCTURE	Infrastructure Retaining Walls	314,000	314,000	314,000
INFRASTRUCTURE	Lower RV Relief Rd	193,819		
INFRASTRUCTURE	Street Lighting - East	50,000	50,000	50,000
INFRASTRUCTURE	Design Budget	40,000	40,000	40,000
INFRASTRUCTURE	Major Highway Reconstruction	739,000	739,000	739,000
INFRASTRUCTURE	Bridge Strengthening	441,000	441,000	441,000
INFRASTRUCTURE	Caerphilly Interchange	1,076,314		
INFRASTRUCTURE	Land Drainage- Corporate	123,000	123,000	123,000
INFRASTRUCTURE	Land Drainage	123,000	123,000	123,000
INFRASTRUCTURE	Vehicle Restraint System	148,000	148,000	148,000
INFRASTRUCTURE	Tips & Mines	246,000	246,000	246,000
INFRASTRUCTURE	Monmouth & Brecon Canal.	200,000	200,000	200,000
INFRASTRUCTURE	Troedyrhiwfwch	829,320		
INFRASTRUCTURE	Footway Resurfacing	148,000	148,000	148,000
PLACEMAKING	Caerphilly Workingmen's Hall	73,748		
PLACEMAKING	Pentrebane Street Redevelopment	2,054,005		
PLACEMAKING	Leisure Quarter Acquisition	3,750,000	884,897	
PRIVATE HOUSING	Disabled Facility Grants	1,133,000	1,133,000	1,133,000
PRIVATE HOUSING	Miscellaneous & Renewal Area	246,000	246,000	246,000
PRIVATE HOUSING	Home Repair Grant	788,000	788,000	788,000
PROPERTY	Corporate Asset Management	690,000	690,000	690,000
PUBLIC PROTECTION	Electric Vehicle Charge Point	372,680		
PUBLIC PROTECTION	CCTV Replacement	74,000	74,000	74,000
PUBLIC PROTECTION	Kitchen Refurbishments	419,000	419,000	419,000
SOCIAL SERVICES	Minor Works	340,000	340,000	340,000
UK SHARED PROSPERITY FUND (SPF)	W1 Town Centre Improvements	698,880		
UK SHARED PROSPERITY FUND (SPF)	W2 Neighbourhood Projects	149,760		
UK SHARED PROSPERITY FUND (SPF)	W3 Local Green Spaces	4,992		
UK SHARED PROSPERITY FUND (SPF)	W4 Culture and Heritage Support	399,360		
UK SHARED PROSPERITY FUND (SPF)	W5 Landscaped Environment	159,744		

Capital Programme - 2024/25 to 2026/27

Service Area	Project Name	2024/25 (£)	2025/26 (£)	2026/27 (£)
UK SHARED PROSPERITY FUND (SPF)	W9 Volunteering Projects	39,936		
UK SHARED PROSPERITY FUND (SPF)	W10 Local Sport Funding	297,523		
UK SHARED PROSPERITY FUND (SPF)	W11 Community Capacity	49,920		
UK SHARED PROSPERITY FUND (SPF)	W13 Cost Of Living Measures	299,520		
UK SHARED PROSPERITY FUND (SPF)	W16 Open Market Business Support	1,148,160		
UK SHARED PROSPERITY FUND (SPF)	W17 Visitor Economy	174,719		
UK SHARED PROSPERITY FUND (SPF)	W22 R&D Innovation	1,597,440		
UK SHARED PROSPERITY FUND (SPF)	W23 Enterprise Projects	97,450		
UK SHARED PROSPERITY FUND (SPF)	W29 Decarbonisation	249,600		
UK SHARED PROSPERITY FUND (SPF)	W34 Employment Support Economically Inactive	10,592		
ALL	Unallocated Core Budget	1,497,000	2,939,000	2,869,000
HOUSING REVENUE ACCOUNT (HRA)	As per 2023/24 Business Plan	84,133,000	64,957,000	25,087,000
TOTAL PLANNED EXPENDITURE		171,029,270	109,420,731	39,396,637
Funded by: -				
WG Core Grant		4,919,000	4,919,000	4,919,000
Supported Borrowing		4,790,000	4,790,000	4,790,000
Grant Income		72,211,517	45,557,065	24,492,900
Reserves		25,743,413	12,617,666	1,097,737
HRA Borrowing		31,500,000	24,200,000	
RCCO		31,796,000	17,337,000	4,097,000
Other		69,340		
TOTAL FUNDNG		171,029,270	109,420,731	39,396,637

Updated Medium-Term Financial Plan

Description	2024/25 £000s	2025/26 £000s	2026/27 £000s
Increase in Aggregate External Finance (2.5%, 1%, 1%)	8,904	3,489	3,524
Increase in Council Tax (6.9%, 4.9%, 3.9%)	5,935	4,583	3,886
Total Funding to Support Budget	14,839	8,072	7,409
General Fund Services Inflationary Pressures			
NJC Pay Award - 4% in April 2024, 3.5% in April 2025 and 3% in April 2026	8,869	6,065	5,400
NJC - Increase in Employer Pension Contributions (1% , 0.5%, 0%)	1,245	644	0
Non-Pay Inflation (3%, 2%, 2%)	2,673	3,601	3,675
Non-Pay Inflation (Fees and Charges) - (5%, 2%, 2%)	(853)	(358)	(366)
Total General Fund Services Inflationary Pressures	11,934	9,952	8,710
Inescapable Service Pressures			
Corporate Services	299	0	0
Miscellaneous Finance	1,986	692	667
Social Services	10,448	4,173	4,352
General Fund Housing	1,004	0	0
Inescapable Service Pressures	13,737	4,865	5,019
Transfers Into Settlement Allocated to Relevant Service Budgets	303	0	0
Schools Cost Pressures			
Teachers Pay Award (5% to Aug 2024, 4.5% from Sep 2024 then 3.5%, 3%)	5,951	3,576	3,206
NJC Pay Award - 4% in April 2024, 3.5% in April 2025 and 2% in April 2026	724	664	591
NJC - Increase in Employer Pension Contributions (1% , 0.5%, 0%)	188	98	0
Non-Pay Inflation (3%, 2%, 2%)	826	568	580
Schools Service Pressures	594	620	565
Total Schools Cost Pressures	8,283	5,528	4,942
Proposed Savings/Use of Reserves			
Permanent savings proposals	19,552	378	17
Temporary savings proposals	11,449	243	0
Use of reserves	10,624	0	0
Proposed Savings/Use of Reserves	41,626	621	17
Reinstatement of Temporary Savings Proposals and Use of Reserves	22,207	22,073	243
Annual Shortfall	0	33,724	11,489
Cumulative Shortfall	0	33,725	45,213

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Draft Budget Proposals for 2024/2025 Joint Trade Union Feedback

As the recognised Trade Unions with Caerphilly County Borough Council, we fully appreciate the challenging situation that the Local Authority finds itself in. Sadly, this position is not limited to Caerphilly but an all too common picture across our public services in Wales and the UK. Quite simply, the funding allocated to the Welsh Government by Westminster does not match the demands being placed on our public services. We are not only experiencing a 'cost of living crisis' but a 'Public Services Crisis!'

We fully appreciate the difficult decisions that may need to be taken by the Authority because of this funding crisis, however there is a balance to be struck between achieving short term aims i.e. 'balancing the books' and longer term aims, which we must be cognisant of. Short term 'quick wins' cannot, and should not, come at a cost of long-term losses to our communities and Caerphilly's dedicated staff.

It is within this context that we offer our views on the Draft Budget Proposals for 2024/25, and in the spirit of partnership working:

- Council and school workers are experiencing the fastest fall in living standards since records began. Council and school workers have suffered over a decade of below average pay awards/pay freezes and have subsequently lost on average 25% from the value of their pay spine since 2010! As household costs continue to rise and the value of staff pay keeps falling, a growing number of local government workers are skipping meals, not running the heating or relying on foodbanks. Trade unions have campaigned for this position to be turned around so that our hard working and dedicated staff receive the fair pay they are due. Therefore, it is disheartening to read within the budget report a figure of 4% being assumed from April 2024 for pay awards. We are confident that this will not be sufficient to satisfy the pay claim of our membership if not centrally funded.

Officer Response - The actual pay award will be determined through national negotiations but for financial planning purposes we have to make assumptions around the potential level of pay awards. The 4% is in line with the current level of CPI inflation and is of a similar level to that being assumed by other Local Authorities.

- The proposal to increase Fees and Charges by 5% we believe to be a short-term 'quick fix'. Being mindful of the current economic conditions i.e. high inflation, and high energy and food costs, we appreciate that the local authority is not immune to these cost increases, however, with more households cutting back on spending we would suggest exploring various pricing strategies to ensure price aversion does not

result in a fall in total income. A blanket 5% may have a positive impact in some areas but a negative one in others. As an alternative, we would advocate for stronger controls and analysis of costs, thereby reducing the need to increase prices.

Officer Response - Comments in respect of the blanket increase are noted but this approach has been applied previously and has worked well. However, there will be a more targeted focus on fees and charges as part of the various projects that will be taken forward through the Mobilising Team Caerphilly Transformation Programme.

- We note that the permanent savings proposals include an initial in-year savings target of £5m for the Mobilising Team Caerphilly transformation programme, yet there is little detail on where these savings will be generated from. Consequently, we are curious to understand if the savings have not yet been realised where has the £5m been drawn from in order to 'balance the books'?

Officer Response - There has been considerable work undertaken over the last 10 months working with Perago to identify transformation projects that have the potential to deliver savings moving forward. We are now entering the delivery stage of the programme and are in the process of prioritising and resourcing those projects that will give us the initial batch of savings. It is important to set a target for the Mobilising Team Caerphilly Programme to ensure that we achieve pace with delivery.

The initial 2024/25 in-year target of £5m will be delivered through projects that are currently "in flight" and there is an expectation that further significant savings will be delivered in subsequent financial years once further projects have been prioritised for development and delivery. If the £5m target is exceeded, then the savings will be taken as 'savings in advance' to help offset the projected funding gap for 2025/26 and 2026/27. Conversely, if the target is not fully achieved then the shortfall will need to be funded through a further call on reserves. Progress will be closely monitored by the Mobilising Team Caerphilly Portfolio Board and through the Council's established budget monitoring arrangements.

- The proposal to increase charges for school meals in secondary schools, Meals Direct and in the Hive Restaurant, Ty Penallta by 7.5% we believe to be excessive. As stated in our comments on Fees and Charges, we believe this may have negative consequences on the overall income generated. We also believe the potential consequences for increasing charges for school meals and Meals direct will have a greater negative impact on some of our most vulnerable citizens at a time when they need our services the most.

A decrease in customer trade due to excessive price increases in the Hive Restaurant may also have longer term consequences on its viability to function as a staff restaurant. Consideration must also be given to those employees who may have a disability and cannot leave the premises to find alternative eating venues, which we note was not considered within the impact assessments.

Officer Response - Comments are noted and will be reported as part of the budget consultation feedback.

- The comment made within section 5.7.11 of the report which states, *'It is inevitable that the Authority will be smaller moving forward and service levels in many areas will need to be reduced, or even removed.'* This is a particularly concerning statement. The trade unions would like further dialogue on this statement to understand why is it *'inevitable'*? The narrative cascaded as part of the Mobilising Teams Caerphilly transformation programme is that *'we need to work smarter, not harder.'* This would not automatically translate to services being reduced or removed. Therefore, we would welcome early dialogue with senior leadership on this matter.

Officer Response - We will aim to deliver as much of the savings requirement as we can through identifying efficiencies and new ways of working but given the scale of the financial challenge it has to be accepted that there will be impacts across the organisation. The agreed Mobilising Team Caerphilly narrative includes the following statement: -

"We understand that some roles may need to change, and we expect there to be a reduction in staff numbers. We will look at voluntary departure options and as colleagues move on to new opportunities or retire, we will carefully assess how their roles can be managed going forward".

Early engagement is key and there will be an ongoing dialogue with the Trade Unions in relation to the programmes of change being developed under Mobilising Team Caerphilly.

- From discussions at the Joint Scrutiny Committee on 23.01.24 it has been highlighted that the amount of CCBC investment income has increased from £164m to £185m (as at September '23). As Trade Unions we would appreciate an explanation on why the decision has been taken to increase investment income by £21m given the current dire financial situation. At face value, it could appear that we are laying an Axminster carpet while there is a hole in the roof!

Officer Response - £21.9m was invested between March 2023 and September 2023 and none of these investments were in gilts or other long-term investments. The investments that were made will all mature in the 2024 calendar year. The £21.9m consisted of investments in bonds and fixed-term deposits (£15.6m), an increase in deposits with the HM Treasury Debt Management Office (£9.5m), and a £3.2m reduction in investments with other Local Authorities and Housing Associations. The Council has operating costs of over £850m a year, so at different times of the year there will be varying levels of cash available and fluctuations in the level of investments.

- Looking specifically at the savings proposals presented in the consultation report we would like to offer our initial observations:
 - Overall, the proposals presented are very vague in terms of describing the savings proposed, which is not conducive to effect public consultation.
 - **The deletion of the MeUs Leadership Programme budget** – A survey by the Chartered Management Institute, conducted by YouGov, found that 82% of those who enter management positions have not had any proper training, known as 'accidental managers'. The Poll also reveals ineffective leaders create poor motivation and low job satisfaction in their teams. Trained leaders and

managers are not only better equipped to address poor performance or behaviour, but also to create environments where employees can thrive, reducing turnover and fostering a culture of trust and productivity. Therefore, we believe that cancellation of the MeUs programme is not appropriate at this time when the organisation is undergoing significant strategic change and will rely heavily upon the quality and skills of its managers and leaders.

Officer Response - Comments are noted and will be reported as part of the budget consultation feedback.

- **Deletion of the vacant Grade 12 Human Resources Manager post** – As trade unions we work closely with HR on a daily basis and witness the level of demand placed upon this service. Therefore, we do not support the cancellation of this post.

Officer Response - Comments are noted and will be reported as part of the budget consultation feedback.

- **Apprenticeship Budget – 2024/25 costs to be funded from reserves** – We are an ageing workforce, and it is essential that we continue to encourage younger people to join our organisation. To fund the Apprenticeship Budget from reserves we believe does not set the appropriate foundations as we move forward. Given that reserves can only be used once, we feel justified to ask the question - what will happen to this budget once reserves become depleted in future years as forecast?

Officer Response – The use of reserves for the apprenticeship programme is for 2024/25 only. There is a recurring core revenue budget of £262.5k for apprenticeships.

- **Management, Fieldwork and Administration vacancy savings target temporarily increased from 4.5% to 9% to reflect current staff turnover and recruitment difficulties** – We appreciate that there has been recruitment and turnover difficulties within Social Services, however we are also aware that the Directorate is working hard to address this. Therefore, increasing the vacancy target to 9% would appear counterintuitive given that we are led to believe the intention is to fill these vacancy gaps.

Officer Response – This is a temporary adjustment to reflect current recruitment difficulties being experienced in this area. The intention is still to recruit to posts wherever possible.

- **A number of posts in the Caerphilly Cares Team to be temporarily funded through grants** – We would ask for further clarification on how these posts will be funded once the grant has ended.

Officer Response – This will be subject to review when the grant funding is no longer available.

- **Early Years central team – some posts being funded by grant** - We would ask for further clarification on how these posts will be funded once the grant has ended.

Officer Response – This will be subject to review when the grant funding is no longer available.

We trust that our feedback will be taken into consideration as part of the Budget Proposals Consultation 2024/25 and look forward to receiving a response in relation to the comments/questions put forward.

Kind Regards,

Lianne Dallimore

Juan-Antonio Garcia

Neil Funnell

Gary Parr

Lianne Dallimore

Juan-Antonio
Garcia

Neil Funnell

Gary Parr

Branch Secretary
UNISON

Branch Chair
UNISON

Branch Secretary
GMB

Branch Secretary
UNITE

Gadewir y dudalen hon yn wag yn fwriadol



COUNCIL – 27TH FEBRUARY 2024

SUBJECT: COUNCIL TAX SETTING RESOLUTION 2024/25

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

- 1.1 In accordance with the requirements of the Local Government Act 1992 (as amended) the attached resolutions are submitted for consideration along with the recommendation that they be approved.
- 1.2 Council is asked to approve the Council Tax Resolutions for the 2024/25 financial year.

Author: Stephen Harris, Head of Financial Services and S151 Officer
Tel: 01443 863066 E-mail: harrisr@caerphilly.gov.uk

Appendix Council Tax Setting Resolution 2024/25.

Gadewir y dudalen hon yn wag yn fwriadol



COUNCIL – 27TH FEBRUARY 2024

SUBJECT: COUNCIL TAX SETTING RESOLUTION 2024/25

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

RESOLUTIONS

In accordance with the requirements of The Local Government Act 1992 (as amended) the following resolutions are submitted for consideration with the recommendation that they be approved:-

1. That it be noted that at its meeting on the 13th December 2023 the Cabinet calculated the following amounts for the year 2024/2025 in accordance with regulations made under Section 33(5) of The Local Government Finance Act 1992 and powers granted under The Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007 (as amended).

- (a) **61,292.66** Being the amount calculated by the Cabinet, in accordance with Regulation (3) of The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (as amended), as its council tax base for the year.

- (b) **Part of Council's Area:**

Tax Base for each Community Council

	<u>Tax Base</u>
	<u>No. of D Band</u>
	<u>Equivalent Properties</u>
Aber Valley	2,004.04
Argoed	888.77
Bargoed	3,700.00
Bedwas, Trethomas & Machen	4,025.28
Blackwood	2,936.94
Caerphilly	6,289.37
Darren Valley	712.73
Draethen, Waterloo & Rudry	620.58
Gelligaer	6,321.20

Tax Base for each Community Council	<u>Tax Base</u> <u>No. of D Band</u> <u>Equivalent Properties</u>
Llanbradach & Pwllypant	1,511.85
Maesycwmmmer	993.07
Nelson	1,593.91
New Tredegar	1,339.06
Penyrheol, Trecenydd & Energlyn	4,556.25
Rhymney	2,560.78
Risca East	2,043.78
Risca West	1,820.30
Van	1,626.36
Remainder	15,748.39
Total	61,292.66

being the amounts calculated by the cabinet, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

2. That the following amounts be now calculated by the Council for the year 2024/2025 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:-

- (a) **£449,189,679** *being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) of the Act;*
- (b) **£11,674,000** *being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a), (aa) and (c) of the Act;*
- (c) **£438,564,455** *being the amount by which the aggregate at (2)(a) above exceeds the aggregate at (2)(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;*
- (d) **£348,863,814** *being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non-domestic rates, revenue support grant, an authority's council tax reduction scheme or additional grant;*
- (e) **£1,463.48** *being the amount at (2)(c) above less the amount at (2)(d) above, all be divided by the amount at (1)(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year;*
- (f) **£1,048,776** *being the aggregate amount of all special items referred to in section 34(1) of the Act;*

(g) £1,446.37 *being the amount at (2)(e) above less the result given by dividing the amount at (2)(f) above by the amount at (1)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates;*

(h) Part of the Council's Area

**Total County
Borough &
Community
Council Band D
Charge**

	Local Precept	County Borough Levy	
	£	£	£
Aber Valley	19.96	1,446.37	1,466.33
Argoed	16.50	1,446.37	1,462.87
Bargoed	52.31	1,446.37	1,498.68
Bedwas, Trethomas & Machen	29.10	1,446.37	1,475.47
Blackwood	27.50	1,446.37	1,473.87
Caerphilly	15.50	1,446.37	1,461.87
Darren Valley	18.21	1,446.37	1,464.58
Draethen, Waterloo & Rudry	33.84	1,446.37	1,480.21
Gelligaer	21.55	1,446.37	1,467.92
Llanbradach & Pwllpant	24.05	1,446.37	1,470.42
Maesycwmmar	18.43	1,446.37	1,464.80
Nelson	18.24	1,446.37	1,464.61
New Tredegar	12.64	1,446.37	1,459.01
Penyrheol, Trecenydd & Energlyn	14.94	1,446.37	1,461.31
Rhymney	14.45	1,446.37	1,460.82
Risca East	17.00	1,446.37	1,463.37
Risca West	34.88	1,446.37	1,481.25
Van	19.06	1,446.37	1,465.43
Remainder	0.00	1,446.37	1,446.37

being the amounts given by adding to the amount at (2)(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (1)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts, of its council tax for the year for dwellings in those parts of its area to which one or more special items relate;

(i)

Valuation Bands	A	B	C	D	E	F	G	H	I
	6.00	7.00	8.00	9.00	11.00	13.00	15.00	18.00	21.00
Valuation Bands	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
County Borough Council	964.25	1,124.95	1,285.66	1,446.37	1,767.79	2,089.20	2,410.62	2,892.74	3,374.86
Community Councils									
Aber Valley	13.31	15.52	17.74	19.96	24.40	28.83	33.27	39.92	46.57
Argoed	11.00	12.83	14.67	16.50	20.17	23.83	27.50	33.00	38.50
Bargoed	34.87	40.69	46.50	52.31	63.93	75.56	87.18	104.62	122.06
Bedwas, Trethomas & Machen	19.40	22.63	25.87	29.10	35.57	42.03	48.50	58.20	67.90
Blackwood	18.33	21.39	24.44	27.50	33.61	39.72	45.83	55.00	64.17
Caerphilly	10.33	12.06	13.78	15.50	18.94	22.39	25.83	31.00	36.17
Darren Valley	12.14	14.16	16.19	18.21	22.26	26.30	30.35	36.42	42.49
Draethen, Waterloo & Rudry	22.56	26.32	30.08	33.84	41.36	48.88	56.40	67.68	78.96
Gelligaer	14.37	16.76	19.16	21.55	26.34	31.13	35.92	43.10	50.28
Llanbradach & Pwllpant	16.03	18.71	21.38	24.05	29.39	34.74	40.08	48.10	56.12
Maesycwmmmer	12.29	14.33	16.38	18.43	22.53	26.62	30.72	36.86	43.00
Nelson	12.16	14.19	16.21	18.24	22.29	26.35	30.40	36.48	42.56
New Tredegar	8.43	9.83	11.24	12.64	15.45	18.26	21.07	25.28	29.49
Penyrheol, Trecenydd & Energlyn	9.96	11.62	13.28	14.94	18.26	21.58	24.90	29.88	34.86
Rhymney	9.63	11.24	12.84	14.45	17.66	20.87	24.08	28.90	33.72
Risca East	11.33	13.22	15.11	17.00	20.78	24.56	28.33	34.00	39.67
Risca West	23.25	27.13	31.00	34.88	42.63	50.38	58.13	69.76	81.39
Van	12.71	14.82	16.94	19.06	23.30	27.53	31.77	38.12	44.47
Remainder	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Valuation Bands	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Totals For Community Council Areas									
Aber Valley	977.56	1,140.47	1,303.40	1,466.33	1,792.19	2,118.03	2,443.89	2,932.66	3,421.43
Argoed	975.25	1,137.78	1,300.33	1,462.87	1,787.96	2,113.03	2,438.12	2,925.74	3,413.36
Bargoed	999.12	1,165.64	1,332.16	1,498.68	1,831.72	2,164.76	2,497.80	2,997.36	3,496.92
Bedwas, Trethomas & Machen	983.65	1,147.58	1,311.53	1,475.47	1,803.36	2,131.23	2,459.12	2,950.94	3,442.76
Blackwood	982.58	1,146.34	1,310.10	1,473.87	1,801.40	2,128.92	2,456.45	2,947.74	3,439.03
Caerphilly	974.58	1,137.01	1,299.44	1,461.87	1,786.73	2,111.59	2,436.45	2,923.74	3,411.03
Darren Valley	976.39	1,139.11	1,301.85	1,464.58	1,790.05	2,115.50	2,440.97	2,929.16	3,417.35
Draethen, Waterloo & Rudry	986.81	1,151.27	1,315.74	1,480.21	1,809.15	2,138.08	2,467.02	2,960.42	3,453.82
Gelligaer	978.62	1,141.71	1,304.82	1,467.92	1,794.13	2,120.33	2,446.54	2,935.84	3,425.14
Llanbradach & Pwllpant	980.28	1,143.66	1,307.04	1,470.42	1,797.18	2,123.94	2,450.70	2,940.84	3,430.98
Maesycwmmmer	976.54	1,139.28	1,302.04	1,464.80	1,790.32	2,115.82	2,441.34	2,929.60	3,417.86
Nelson	976.41	1,139.14	1,301.87	1,464.61	1,790.08	2,115.55	2,441.02	2,929.22	3,417.42
New Tredegar	972.68	1,134.78	1,296.90	1,459.01	1,783.24	2,107.46	2,431.69	2,918.02	3,404.35
Penyrheol, Trecenydd & Energlyn	974.21	1,136.57	1,298.94	1,461.31	1,786.05	2,110.78	2,435.52	2,922.62	3,409.72
Rhymney	973.88	1,136.19	1,298.50	1,460.82	1,785.45	2,110.07	2,434.70	2,921.64	3,408.58
Risca East	975.58	1,138.17	1,300.77	1,463.37	1,788.57	2,113.76	2,438.95	2,926.74	3,414.53
Risca West	987.50	1,152.08	1,316.66	1,481.25	1,810.42	2,139.58	2,468.75	2,962.50	3,456.25
Van	976.96	1,139.77	1,302.60	1,465.43	1,791.09	2,116.73	2,442.39	2,930.86	3,419.33
Remainder	964.25	1,124.95	1,285.66	1,446.37	1,767.79	2,089.20	2,410.62	2,892.74	3,374.86

being the amounts given by multiplying the amounts at (2)(g) and (2)(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in a particular valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts

to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. That it be noted that for the year 2024/2025 the major precepting authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
<u>Precepting Authority</u>									
Police and Crime Commissioner for Gwent	233.01	271.85	310.68	349.52	427.19	504.86	582.53	699.04	815.55

4. That having calculated the aggregate in each case of the amounts at (2)(i) and (3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts of Council Tax for the year 2024/2025 for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Aber Valley	1,210.57	1,412.32	1,614.08	1,815.85	2,219.38	2,622.89	3,026.42	3,631.70	4,236.98
Argoed	1,208.26	1,409.63	1,611.01	1,812.39	2,215.15	2,617.89	3,020.65	3,624.78	4,228.91
Bargoed	1,232.13	1,437.49	1,642.84	1,848.20	2,258.91	2,669.62	3,080.33	3,696.40	4,312.47
Bedwas, Trethomas & Machen	1,216.66	1,419.43	1,622.21	1,824.99	2,230.55	2,636.09	3,041.65	3,649.98	4,258.31
Blackwood	1,215.59	1,418.19	1,620.78	1,823.39	2,228.59	2,633.78	3,038.98	3,646.78	4,254.58
Caerphilly	1,207.59	1,408.86	1,610.12	1,811.39	2,213.92	2,616.45	3,018.98	3,622.78	4,226.58
Darren Valley	1,209.40	1,410.96	1,612.53	1,814.10	2,217.24	2,620.36	3,023.50	3,628.20	4,232.90
Draethen, Waterloo & Rudry	1,219.82	1,423.12	1,626.42	1,829.73	2,236.34	2,642.94	3,049.55	3,659.46	4,269.37
Gelligaer	1,211.63	1,413.56	1,615.50	1,817.44	2,221.32	2,625.19	3,029.07	3,634.88	4,240.69
Llanbradach & Pwllpant	1,213.29	1,415.51	1,617.72	1,819.94	2,224.37	2,628.80	3,033.23	3,639.88	4,246.53
Maesycwmmmer	1,209.55	1,411.13	1,612.72	1,814.32	2,217.51	2,620.68	3,023.87	3,628.64	4,233.41
Nelson	1,209.42	1,410.99	1,612.55	1,814.13	2,217.27	2,620.41	3,023.55	3,628.26	4,232.97
New Tredegar	1,205.69	1,406.63	1,607.58	1,808.53	2,210.43	2,612.32	3,014.22	3,617.06	4,219.90
Penyrheol, Trecenydd & Energlyn	1,207.22	1,408.42	1,609.62	1,810.83	2,213.24	2,615.64	3,018.05	3,621.66	4,225.27
Rhymney	1,206.89	1,408.04	1,609.18	1,810.34	2,212.64	2,614.93	3,017.23	3,620.68	4,224.13
Risca East	1,208.59	1,410.02	1,611.45	1,812.89	2,215.76	2,618.62	3,021.48	3,625.78	4,230.08
Risca West	1,220.51	1,423.93	1,627.34	1,830.77	2,237.61	2,644.44	3,051.28	3,661.54	4,271.80
Van	1,209.97	1,411.62	1,613.28	1,814.95	2,218.28	2,621.59	3,024.92	3,629.90	4,234.88
Remainder	1,197.26	1,396.80	1,596.34	1,795.89	2,194.98	2,594.06	2,993.15	3,591.78	4,190.41

Gadewir y dudalen hon yn wag yn fwriadol



CIVIC DIARY ENGAGEMENTS

30th November 2023 – 27th February 2024

December

- 1st Announced Winner of the Christmas Card Competition, Penllwyn Primary School
- 6th Operation Santa, ALS
- 6th Penllwyn Community Partnership Christmas Event
- 7th Emergency Services Carol Service, Llandaff Cathedral
- 8th Operation Santa, Credit Safe
- 12th Mynyddislwyn Choir Concert, St Tudor's Church
- 13th Moose International Carol Service, Risca
- 14th Caerphilly Youth Centre Official Opening
- 18th Christmas Charity Concert, Hope Baptist Church (Deputy Mayor)

January

- 4th Diamond Anniversary
- 8th Rhymney Library Hub Reopening
- 11th Diamond Anniversary
- 18th Parlour Visit, Michell Witchell
- 26th Holocaust Memorial Day, Temple of Peace
- 27th Ukrainian Tree Planting Ceremony, Morgan Jones Park
- 27th BTM Charity Concert in Aid of Mayor's Charity, Bedwas Workmen's Hall
- 30th Foodbank Visit, Trinity Church Hall

February

- 7th Mayor School Visit to Cwmfelinfach Primary School and Ynysddu Primary

- 9th Retirement Celebrations for Caretaker, Aberbargoed Primary School
- 17th Rorke's Drift, Theatr Brycheiniog (Deputy Mayor)