



Y CABINET

DYDD MERCHER, 6 MAWRTH 2024

***YN SYTH AR ÔL CYFARFOD PWYLLGOR CRAFFU POLISIÄU AC
ADNODDAU'R CABINET***

***SIAMBR Y CYNGOR – CANOLFAN DDINESIG CASTELL-NEDD PORT
TALBOT***

**RHAID GOSOD POB FFÔN SYMUDOL AR Y MODD DISTAW AR
GYFER PARHAD Y CYFARFOD**

Rhan 1

1. Penodi Cadeirydd
2. Cyhoeddiad(au) y Cadeirydd
3. Datganiadau o fuddiannau
4. Cwestiynau gan y cyhoedd
Mae'n rhaid cyflwyno cwestiynau'n ysgrifenedig i'r Gwasanaethau Democrataidd, democratic.services@npt.gov.uk - dim hwyrach na chanol dydd dau ddiwrnod gwaith cyn y cyfarfod. Mae'n rhaid i'r cwestiynau ymwneud ag eitemau ar yr agenda. Ymdrinnir â chwestiynau o fewn cyfnod o 10 munud.

Materion i'w Penderfynu:

5. Cynigion y Gyllideb Refeniw ar gyfer 2024/25 (*Tudalennau 3 - 102*)
6. Strategaeth Gyfalaf a Rhaglen Gyfalaf 2024/25 i 2026/27 (*Tudalennau 103 - 122*)

7. Strategaeth Rheoli'r Trysorlys, Strategaeth Fuddsoddi Flynyddol a Pholisi Darpariaeth Isafswm Refeniw (*Tudalennau 123 - 144*)
8. Eitemau brys
Unrhyw eitemau brys (boed yn gyhoeddus neu wedi'u heithrio) yn ôl disgresiwn y Cadeirydd yn unol â Rheoliad 5(4)(b) o Offeryn Statudol 2001 rhif 2290 (fel y'i diwygiwyd).

K.Jones
Prif Weithredwr

Canolfan Ddinesig
Port Talbot

Dydd Iau, 29 Chwefror 2024

Aelodau'r Y Cabinet:

Y Cynghorwyr S.K.Hunt, S.A.Knoyle, N.Jenkins, J.Hurley, S.Harris,
J.Hale, A.Llewelyn, W.F.Griffiths, S.Jones a/ac C.Phillips

Neath Port Talbot County Borough Council

Cabinet

Report of the Corporate Directors Group

6th March 2024

Matter for Decision

Wards affected – All

2024/25 Revenue budget proposals

Purpose of Report

To seek Cabinet approval for the proposed Council 2024/25 revenue budget including investment in services; savings and income generation proposals; and proposed council tax levels.

The report also seeks to agree a set of principles for setting fees and charges for Council services in 2024/25.

Background

Neath Port Talbot County Borough Council's ("the Council") net revenue budget requirement for 2023/24 totals £361m and when grants and income are taken into account, this means the Council's gross budget invests over c£500m in services across the County Borough.

Every year, the Council has a duty to consult and set a budget for the provision of services. This report details the proposed 2024/25 revenue budget. A separate report, setting out the proposed Council capital programme for 2024/25 to 2027/28, is also presented for members' approval at today's meeting.

Executive Summary

On the 20th December 2023, Cabinet approved a public consultation process on the draft budget for 2024/25.

The draft budget consulted upon included new cost pressures of £30.5m to be funded from: an estimated Revenue Support Grant of 3.1% (£8.6m) from Welsh Government; the use of £6.8m of specific reserves and a range of expenditure and income measures totalling £8.1m. The report modelled council tax at 5% (£4.2m) but identified that a budget gap of £2.7m remained to be found and that further work to close the budget gap was ongoing.

On 20th December 2023, the Welsh Government published their Provisional Local Government Settlement. In setting out the Welsh Government's Proposals, Rebecca Evans, MS, Finance and Local Government Minister acknowledged that this was the most difficult budget since devolution. The Provisional Settlement proposed a 2.8% uplift in Revenue Support Grant for Neath Port Talbot Council - £650k less than what was included in the draft budget proposals and below the average for Wales. Furthermore, the Welsh Government proposed to reduce a number of specific grants. In developing the draft Settlement, Welsh Government assumed that Council Tax would need to rise by 6.8% across Wales in 2024-25 to fund services.

The impact of the Provisional Local Government Settlement was reported to the Cabinet on 22nd January 2024. In addition, members were advised that the Chief Fire Officer had advised that the Mid and West Wales Fire and Rescue Authority was to increase the fire service levy by 9.4% - at the top end of the range previously discussed with Council. This added a further £134k pressure for 2024/25, increasing the overall budget gap from £2.7m to £3.5m.

On 7th February 2024, the Minister for Finance and Local Government advised that an additional £25m for councils across Wales was being made available in 2024/25. This funding stemmed from additional funding being made available to councils in England, largely to respond to pressures in social care. Part of the £25m is to be used to reverse the proposed cut to the specific grant for Social Care Workforce Development announced on 20th December 2023. The balance of £14.4m would be distributed via the Final Local Government Settlement with the NPT share of that expected to be £674k, making the total

expected Final Revenue Settlement increase for NPT to 3% over the 2023/24 revenue budget.

Work has continued since the public consultation on the draft budget proposals was launched on 20th December 2023. Additional budget measures have been identified which reduces the budget gap further. Additionally, as a result of feedback from residents received during the budget consultation and in the separate consultation on street lighting proposals, a small number of budget proposals have been amended. No recommendations were received from the various scrutiny committees on the draft proposals.

The changes since the draft budget proposal was considered by Cabinet on 20th December 2023 are summarised as follows:

| | £'000s |
|--|---------------|
| Budget gap at 20 th December 2023 | 2,724 |
| Add back assumed council tax at 5% included in draft budget proposals | +4,233 |
| Total budget gap at December 2023 | 6,957 |
| | |
| Funding shortfall announced as part of Provisional Local Government Settlement | +650 |
| Funding adjustment announced on 7 th February by Welsh Government | -674 |
| Increase in Fire and Rescue Service Levy | +134 |
| Further reduction in energy base budget | -650 |
| Reduction in savings attached to street lighting proposals | +80 |
| Reduction savings attached to canal license | +35 |
| Phasing of savings attached to school cleaning cost recovery | +150 |
| Other adjustments | +43 |
| Revised budget gap 2024/25 | 6,725 |
| | |

Consequently, to achieve a balanced budget for 2024/25 a Council Tax is now proposed as follows:

| | |
|----------------------------------|-------|
| Fire and Rescue Service Levy | 1.24% |
| Celtic Leisure operating costs | 2.00% |
| Contribution to Council services | 4.66% |

Total Council Tax increase 7.90%

Overall, the budget proposals protect service levels and jobs, maintaining stability across the Council at a time when there is considerable volatility and uncertainty in the external operating environment. The proposals recognise that demand across the Council remains at a very high level as a result of:

- More people seeking help and support following the pandemic period, many with more complex needs, particularly in housing, social services and education; and
- Levels of investment interest with a number of significant planning applications and prospective developments happening in the same broad time frame.

We are continuing to experience challenges in recruiting and retaining our workforce, in common with many other parts of public service across Wales. Providing a stable and supportive work environment is crucial to being able to sustain a workforce that will enable the Council to deliver its objectives. These proposals protect jobs to a significant extent.

The proposals also seek creative and innovative solutions to service delivery, recognising that future budgets may also be challenging. Responding to the needs of our communities in different ways is a key feature of the budget proposals with a number of invest to save proposals designed to bring about more sustainable models of service over the medium term. Early priority has been given to housing, social services and the leisure and culture portfolios. This approach will be further developed when the Medium Term Financial Plan is updated.

The Cost of Living Crisis continues to impact across communities. The budget seeks to limit the impact on Council Tax levels, however, the Revenue Support Grant the Council will receive from Welsh Government falls considerably short of what we estimate we need to spend.

The Welsh Government has assumed a minimum council tax increase of 6.8% in its own modelling and members have previously agreed that council tax would need to rise to meet the increased costs of Celtic Leisure Ltd which is a 2% call on the 2024/25 budget. The increased levy applied by the Mid and West Wales Fire Service is a further call on council tax of 1.24%. As a result of the intensive work done through the budget process, it is possible to limit the council tax increase at 7.9%

and without the significant cuts to jobs and services that are being seen in many parts of Wales.

A high level summary of what the proposed budget will deliver in service terms is set out below:

Education, Leisure and Lifelong Learning (ELLL) and Schools

This budget provides an investment of £106.458 million into the delegated schools budget and £33.125 million into the ELLL Directorate. This represents an increase of 4.3% for Schools and 4.6% for ELLL compared to the 2023/24 original budget. The investment will be used to:

- Provide education services to circa 22,000 children and young people;
- Increase planned places for children with additional needs; and
- Make additional investment into Celtic Leisure Services Ltd, subsidising the costs of operating the indoor leisure facilities operated by the company.

As well as the increase to the base budget, the budget proposals provide one-off funding of £1.8m from reserves to:

- Respond to pressures in Home to School Transport; and
- Provide further help to secondary schools to increase attendance and reduce exclusions.

Social Services, Housing and Community Safety

The budget proposals provide investment of £113.699 million for the Social Services, Housing and Community Safety Directorate, an increase of £8.127 million compared with 2023/24 (7.7%). The investment will be used to:

- Support approximately 2,400 vulnerable Children and their families; over 2,500 adults who need care; and support and over 2,500 people who are homeless or at risk of becoming homelessness.
- Increase the number of placements available for those with complex needs;

- Maintain a stable workforce in social care;
- Build capacity in Housing to deliver on the ambitious programme approved by Cabinet Board earlier this year to prevent more people from becoming homeless and reducing the time people need to spend in temporary and emergency accommodation.

Environment and Regeneration

The budget provides £46.515 million for the Environment and Regeneration Directorate, which amounts to an increase of £0.253m or 0.5%. The investment:

- Enables the continuation of the Catch Up, Clean Up, Green Up programme initiated in 2023/24;
- Enables the delivery of the waste management strategy, but does not assume a move to three weekly residual waste collection in 2024/25;
- Creates additional capacity to take forward work on decarbonisation with an early focus on the next phases of work to reduce energy consumption, increase energy efficiency and move to renewable energy sources. The increased capacity will also enable the Council to bring forward a strengthened plan to respond to the climate emergency;
- Protects capacity across the regulatory, regeneration and transport divisions to maintain momentum in delivering on infrastructure and economic development programmes

Finance / Strategy and Corporate Services

The budget provides £21.366 million for the Finance Division and Strategy and Corporate Services Directorate, practically a standstill position when compared with 2023/24. The investment:

- Maintains capacity to ensure good governance of the Council;
- Enables the Council to take forward the next phases of the Future of Work and Digital, Data and Technology strategies to develop the capabilities needed to sustain the Council into the future;
- Delivery of key projects within the Digital Transformation pipeline to support and improve services across the Authority.
- Strengthen the Authority's approach on procurement

The remainder of this report now sets out the detail of the final revenue budget proposals for 2024/25 for consideration by the Cabinet.

Strategic Context

The report considered by the Cabinet on 20th December 2023 set out the context for preparing the 2024/25 revenue budget. Extracts of that report are repeated here for ease of reference.

The Public Sector has faced a sustained period of real term reductions in funding levels for over ten years with Neath Port Talbot Council securing reductions in the revenue budget in excess of £100m in real terms since 2008. As well as finding genuine efficiencies and economies in the cost of services and functions (as has been the case in other councils) the scale of austerity measures imposed by the UK Government has also seen deep cuts in services and jobs, particularly in those services delivered under discretionary powers.

2023/24 has proved to be a period characterised by challenges on several fronts, including:

- The economic shock that arose from the illegal war waged by the Russian Government on Ukraine with its associated energy and general inflation impacts;
- Exceptional workload demands arising from the legacy of the Covid-19 pandemic;
- Additional workload demands arising from the Cost of Living crisis;
- Pay awards agreed in excess of funds made available from the governments;
- Continuing supply chain disruption arising from Covid-19 and the wider impacts of BREXIT;
- Structural changes in the labour market creating recruitment and retention challenges across many occupational groups;
- A substantial programme of policy initiatives arising from the Labour-Plaid Cymru Co-operation Agreement;
- Local policy initiatives prioritised by the Council; and
- Significant new investor interest.

The budget agreed for 2023/24, following consultation, provided for an **increase** in unavoidable costs of **£42,189 million** (unfunded pay awards

from 2022-23; pay awards and inflation in 2023/24; and unavoidable pressures). This was funded by £14,352 million net savings across the revenue budget; the use of £3.5 million general reserves; the use of £1.4 million from the leisure specific reserve; an increase in council tax of 4.5% (which in part provided for an increase in the Mid and West Wales Fire and Rescue Authority levy equivalent to 1.8% on council tax); and an increase in the council tax collection rate).

In proposing the budget strategy for 2023/24, members of council were advised by the Council's Chief Finance Officer that a number of significant risks would need to also be managed in-year.

The Chief Finance Officer also noted that the prospects over the medium term were challenging, estimating a further £48 million pressures over the four year period 2024-28. A number of areas for review were highlighted in the budget report to inform the development of the budget strategy for future years, including:

- Further work to review the Council's accommodation portfolio, delivered in phases;
- Work to reduce energy consumption, improve energy efficiency and to accelerate the move to renewable energy sources;
- A review of the Council's fleet and wider transport arrangements;
- A series of reviews to examine external commissioning and procurement spend;
- Further re-basing of the Council budget to reflect changes to the operating model;
- Re-modelling of statutory services to meet the needs of our population differently and at lower cost;
- Work to re-model discretionary services with a focus on alternative income and efficiency;
- Further automation of services and functions; and
- Consideration of increased council tax rates for empty properties and second properties

The work highlighted above has been progressed throughout this financial year. Additionally, officers have reviewed all of the budget ideas submitted as part of the 2023-24 public consultation exercise and which were noted in the final budget report.

Service Pressures

In terms of service pressures, the most recent data suggests that demands in many areas of the Council continue to be at increased volume and in many instances increased complexity. This picture was outlined in a report entitled 'Outlook' presented to the Cabinet in September 2023. Relevant extracts from that report are also identified below for context and updated where appropriate:

Homelessness- the number of people in temporary accommodation has increased from 313 people in 2019-20 to 832 in 2023-24. Without intervention, it is estimated that this will continue to increase to around 2,233 people in 2027-28. In cost terms this would see an increase from £2.6 million in 2023-24 to £4.4 million in 2027-28. Demand is being driven by a number of factors:

- Policy change from Welsh Government which has not been fully funded but has lowered the threshold for qualifying for support from councils;
- Family pressures arising from the cost of living crisis;
- A reduction in affordable accommodation in the private rented sector;
- Insufficient accommodation due to market factors, particularly one-bedded accommodation; and
- An increase in care leavers and youth homelessness.

Children's Social Services – at the beginning of January 2023 there were 1,272 children and young people receiving some level of support from the Council. Contacts to the service were 2,209 in that month, compared with 1,435 in April 2021. Pressures are being experienced in relation to the complexity of need being presented to the service also. The number of children and young people requiring a high cost residential placement is circa 20 – double the number we would have experienced prior to the outbreak of Covid-19 and there are also a growing number of unaccompanied child asylum seekers being allocated by the UK Government who require support. This situation is compounded by the lack of suitable placements, further impacted by the Welsh Government's policy to eliminate profit from the care market. Ensuring a stable workforce will need to remain a priority focus throughout the period with the need to ensure remuneration and our

wider employer offer remains attractive in a highly competitive labour market.

Adult Social Services – new contacts to the service were 9,265 in 2022-23 compared with 6,259 in 2018-19. Demand is projected to continue to rise given that the population is ageing and in particular, the number of people living with dementia is expected to double within 20 years. Covid-19 has had a major impact on the care market with a large number of providers withdrawing from the market entirely. The cost of providing care has also increased significantly, linked to the Welsh Government's policy to provide at least the Real Living Wage and the impact of enhanced infection control regimes. The number of people with disabilities requiring a specialist residential placement has seen a sharp increase linked to Covid-19. The number of people accessing health service continues at a very high level, placing additional pressure on social services to ensure care packages are available for those who need them, to expedite hospital discharge.

Education – Covid-19 and the policies implemented to protect the NHS and save lives has had a significant impact on children and young people. Many children and young people have experienced anxiety returning to school and have struggled with social isolation with adverse impacts on their emotional wellbeing. The cost of living crisis is compounding this and there are increased waiting times for key partner services.

Attendance rates, whilst seeing some improvement, are below rates that were achieved prior to the pandemic and it is of considerable concern that fixed term and permanent exclusions have increased across secondary schools. Welsh Government's additional learning needs legislation has placed significant pressures on all schools for which there has been no additional funding. Furthermore, the increase in the number of young people who have been identified with additional learning needs is placing intolerable pressure on budgets as schools struggle to meet their statutory duties in respect of these young people. Home to school transport is a further pressure requiring attention with more children and young people requesting transport and prices increasing well above budget.

Leisure and Culture – participation levels have now recovered to pre-pandemic levels however given the significant pressures across statutory services and functions, there is greater pressure to reduce deficits and subsidies further.

Planning and Public Protection Services – Public protection services were particularly impacted by Covid-19 and although recovering steadily, continue to address backlogs of inspection activity following the need to refocus the services to support public health policy throughout the pandemic period. Alongside inspection backlogs, contacts to the service have been unusually volatile and often complex.

Since the beginning of 2020 the service has experienced the loss of over 50% of its staff many of which were long standing experienced officers. There has been significant difficulty in replacing these members of staff and whilst positive progress is now being made, it will take some time to ensure that those staff have the relevant experience to fully support developer interest. In addition to staff turnover, the planning service experienced a high volume of applications but has recovered well. It is however, continuing to experience an unusual level of very complex large applications, including the Global Centre for Rail Excellence and Wildfox Resort Afan Valley, together with major projects associated with the opportunities around the Freeport and our Swansea Bay City Deal projects.

NPT is also still the focus of investment for major renewable energy projects which whilst determined by the Planning Environment Decisions Wales (PEDW), require a huge amount of officer time. During this time, the Council has also progressed the review of the Local Development Plan within statutory timescales. All of this combining to place a continuing pressure which is set to increase further following the announcement that an Electric Arc Furnace is to be constructed at Tata Steel UK's Port Talbot site.

Streetcare - A revised Waste Management Strategy/Action Plan was developed in the current financial year to position the Council to achieve the next recycling target of 70% by 2024-25. This requires considerable change within the service if we are to avoid financial penalties. Residents' expectations of standards for the public domain, despite additional investment, exceed the capacity of the service and therefore continues to provide an ongoing challenge. The service continues to proactively draw down grant funding to address drainage and highways maintenance with some good impacts. However, the deteriorating age and condition of infrastructure, coupled with the impacts of climate change presents an ongoing challenge.

Property and Regeneration – additional grant funding through Levelling Up and Shared Prosperity Funds have been very welcome but are challenging given the tight timescales for delivery. This work runs alongside the Innovation and Local Carbon Growth and the Homes as Power Stations programmes now in delivery as part of the Swansea Bay City Deal and the Celtic Freeport secured in February 2023 following a Freeport Competition launched by the UK and Welsh Governments.

The recent announcement by Tata and the UK Government will add to workloads and are being accommodated within a considerably expanded capital programme that is also delivering improvements across the school estate; enhancements to child care provision; community regeneration projects; and delivering a rationalisation of office and depot accommodation.

The priority being given to decarbonisation and climate change at all levels of policy making, together with the energy crisis, is also placing pressure on our energy function, requiring action at strategic and tactical levels.

All of the above come at a time when the service is experiencing recruitment and retention challenges because of structural changes in the labour market.

Transport and Engineering

The service will need to continue to manage the introduction of the 20mph default limit introduced by Welsh Government and changes to the funding of the bus network. Both of these areas are impacting significantly on local residents.

Car parking income remains well below pre-pandemic levels requiring a review of parking infrastructure and fees.

Good progress is being made with a number of major and minor highways projects and increased capacity within the service will help increase the amount of funding secured to support the development of active travel routes across the county borough. Managing the legacy infrastructure of the Council will continue to be a challenge given the limits on funding available to the Council with most grant income available to support new infrastructure development and limited scope to bring in additional income to address legacy infrastructure. Maintaining

the existing infrastructure is also a challenge given its age profile and the escalating cost of materials and contractors.

Corporate Services and Governance Systems – the summary of pressures identified above combine to place ongoing pressure on corporate services and governance systems to adapt and facilitate the change needed. Further work will need to continue in 2024-25 to fully restore governance systems as we move beyond Covid-19 recovery. Our Corporate Performance Management Framework will need to be strengthened whilst our Strategic Equalities Plan, our climate change and nature emergency frameworks; as well as new legislation such as the Social Partnership Duties will also need attention.

2024/25 Estimated Budget Gap

The table on page 14 and 15 shows the estimated amount of funding needed to run council services in 2024/25 and the funding available.

In setting its budget for 2023/24, Council agreed to utilise £3.5m from general reserves. When considering the position for 2024/25 this £3.5m represents a 'gap' which needs to be made good. In addition to the above the Council is facing pay and inflationary increases for 2024/25 totalling c£15m.

There are unavoidable service pressures which will also increase the estimated cost of running council services by £4.7m as detailed in Appendix 3.

When setting the 2023/24 budget, Council agreed a number of 'pressures to be monitored' that were not built into the base budget. Of these, it is now apparent that in the Social Services, Health and Housing Directorate £6.8m of these 'pressures to be monitored' have become annual recurring costs pressures, largely as a result of more people needing care and support and more people presenting with complex needs with attendant high cost care and support packages. It is noted that unlike previous years, Social Services has not been able to access winter pressure funding or end of year funding to alleviate these pressures and the cost now falls to the revenue base budget.

The scale of the pressures within the Social Services system is such that a multi-year solution will need to be established. This will require additional, recurring revenue funding for the adult social services

budgets over a number of years, along with an invest to save programme of service change designed to reduce demand coming into the system and to meet care needs at lower cost in more appropriate settings. In order to allow for the implementation of longer term cost saving measures it is proposed that £6m of pressures be funded in 2024/25 from specific reserves with permanent funding and service changes identified for the 2025/26 financial year onwards. Investing more resources in adult social care will clearly have direct implications for opportunities to fund other council services. Strong representations have been made through the Welsh Local Government Association and the various professional networks to Welsh Government to increase funding allocated to social services. It is disappointing to see that the planned investment in the NHS is not being matched by investment in the social care system.

The Provisional Local Government Settlement received on 20th December 2023 provided an increase in funding of 2.8% or £7.709m; lower than the 3.1% previously indicated by Welsh Government.

Subsequent to the provisional settlement being published, the Council has received notification that an additional £14.4m (across Wales) will be included within the final settlement. We have been advised that our share of the £14.4m will be c£674k. This additional funding has been allocated in full to help mitigate the pressures within the adult social care budget although it is clearly considerably short of what is required.

2024/25 Budget gap summary

| | £'000 |
|---|---------------|
| Use of general reserves to fund 2023/24 budget | 3,500 |
| | |
| Inflation and pay awards | 14,278 |
| Increase in fire service level - equivalent to 1.24% increase in council tax | 877 |
| Unavoidable pressure – cost of running indoor leisure – equivalent to 2% increase in council tax (appendix 3) | 1,400 |
| Other unavoidable pressures (appendix 3) | 3,300 |
| Social Services and Homelessness pressures to be monitored - now recurring costs (appendix 4) | 6,800 |
| | |
| Total cost pressures to be funded | 30,155 |

| | |
|--|----------------|
| | |
| Funding available | |
| Welsh Government Revenue Support Grant – updated for final settlement estimate | -8,602 |
| Specific reserves | -6,000 |
| | |
| Total funding available | -14,602 |
| | |
| Budget gap to be funded from savings/income generation or council tax | 15,553 |
| | |

Strategy for closing the budget gap

Since it became apparent that the financial outlook had deteriorated significantly, officers have been working on proposals to close the budget gap. This work has been multi-faceted and has included early engagement with staff, trade unions, all members of Council, representatives of the school community, residents, businesses and other interested stakeholders.

The starting point in relation to the 2024/25 budget strategy has been the work undertaken during the current financial year to drive down the projected overspend as already referenced on pages 3 and 4 of this report. However, despite this work there remains a structural pressure requiring a permanent solution which needs to be addressed as part of the budget strategy detailed below.

The budget strategy for 2024/25 is based on the following key objectives:

Maintaining a clear focus on recovery from Covid-19 and pressures arising from the Cost of Living Crisis

There are exceptional pressures across the Council as the impact of policies pursued during the Covid-19 response period emerge, compounded by the continuing cost of living crisis. In particular, there are much higher volumes of demand/need presenting in social services, housing and education, together with an increase in the complexity of need. It is not yet clear when the rise in demand/need will peak. The budget strategy makes proposals for a number of spend to save initiatives designed to reduce demand for service and to secure lower cost solutions whilst still maintaining focus on enabling positive outcomes to be achieved for people in need of support. The changes proposed are crucial to avoid more cases escalating to a point of crisis when much more expensive solutions would need to be found.

Good progress has been made in the Environment Directorate to recover from the impact of Covid-19, however, some backlogs of work and pent up demand remain. The budget strategy recognises the need for continued support to fully recover whilst also recognising the need to achieve the next recycling target of 70%; ensure the public realm is sufficiently maintained; and that infrastructure across the county borough is accessible and safe.

It is noted from the budget consultation exercise that many residents are unaware of the ongoing and significant impacts of the pandemic on council services and associated costs. Work will be developed to address this as part of the revision of the Corporate Plan.

Facilitating and Enabling Economic Growth

There has been a mixed impact across the local economy as the pandemic and cost of living crisis have taken their course.

We are dealing with a growing portfolio of major economic development initiatives. The Council has been successful in its bid, along with partners, to establish a Freeport covering the port of Port Talbot and the Port of Milford Haven which should attract seed capital of £25 million and potentially £0.5 billion in retained business rates for investment in hard and soft infrastructure over the programme life cycle.

There is also a £250 million proposed investment in an adventure resort in the Afan Valley; a £200 million proposed investment in a Global Centre for Rail Excellence in the Dulais Valley; a £29 million investment programme over the remainder of this financial year and the next financial year through the Shared Prosperity Fund; the City Deal programme continues which amounts to an investment of £73.5m; together with the potential to draw down significant capital funds to support innovation and housing developments.

The Council has also been successful with three levelling up fund (LUF) bids. The most recent of these being announced in November 2023, namely, £14m for the transformation of the Princess Royal Theatre and Public Realm within Port Talbot Town Centre and £13m for the Newbridge Road Bridge project.

The investment in an Electric Arc Furnace for the Tata site in Port Talbot will also require attention from the Council in its role as the local planning authority and its business support team will also be supporting those affected by the Tata transition.

The Council has performed well in supporting these initiatives thus far but will need to increase investment in its economic growth functions to secure the successful delivery of this portfolio and to maximise the benefits to local people and local supply chains. As will be seen in the consultation responses summarised later in this report, growing the number of jobs in the economy is an issue that residents believe should be a continuing priority for the Council.

Delivering local and Welsh Government policy priorities

We are in the third year of the current Senedd term and in the second year of the local government term. The Welsh Government has set out an extensive programme of policy commitments that will impact on councils. It is essential that any new policies are fully funded and that the capacity of local government to make changes in the current climate is properly understood. The Council also has its own policy priorities which are being implemented and which will feature in an updated Corporate Plan that will be presented to Council in May 2024.

The budget consultation responses encouraged a focus on pursuing local policies as a priority over implementing Welsh Government policy priorities. It is clear that the recently introduced policy on 20mph is not popular amongst many who responded to the survey and this has also coloured people's views on the priorities of Welsh Government more broadly.

Ensuring a sustainable Council

There has been a material change to the Council's operating environment over this financial year. The much changed budget outlook, the workforce constraints and the pace of change combine to challenge the existing operating model.

Over the medium term, the Council will need to pursue a robust strategy that will transform the way services and functions are delivered within a clearly defined framework of priorities, whilst also ensuring financial sustainability and good governance.

Ensuring the council is sustainable was also seen as important by residents who elected to respond to the budget consultation.

Savings and income generation

Over the course of the summer, autumn and winter periods, officers have been working to identify a range of savings and income generation

measures that can contribute to closing the budget gap detailed earlier in this report.

Income

- The strategies proposed in appendix 5 show a clear focus on maximising income generation, especially across the leisure portfolio. The proposals include challenging but realistic targets which can be achieved by further developing commercial approaches.
- In relation to fees and charges, the budget assumptions include a general uplift of 7.5% in total income receipts, arising from a combination of variations in price and activity. The 7.5% is a planning assumption. Corporate Directors, in line with delegated powers, will seek to maximise income through fees and charges as appropriate, responding to market conditions and being agile in relation to fees and charges. They will also address one of the issues raised as part of the 2023/24 budget consultation where members requested the following:

‘Pricing of services – optimise this to accommodate different levels of service’

- Drawing down new funding through relevant programmes. Earlier in this report the range of regeneration programmes that are being progressed was referenced. Officers have already been successful in attracting significant funding to support the Council’s heritage and culture aspirations. Where possible the Council will seek to recover the full cost of its involvement in specific programmes.

Savings

In relation to accommodation and energy, a number of initiatives are underway including:

- Reducing the council’s accommodation portfolio by selling and repurposing buildings thus reducing the associated operational costs;
- A number of tactical proposals have been included in the budget strategy for 2024/25 that will reduce the footprint needed for council operations. This includes releasing office space at Tregelles Court; and changed uses of the Annexe at Neath, the Quays and Port Talbot Civic Centre;

- Options for reducing the number of large office buildings in the portfolio are also being assessed. Proposals will be brought forward in 2024/25, linked to the regeneration plans for the county borough;
- Assisting building managers to reduce energy consumption by ensuring that building management systems are optimised where possible thereby reducing energy consumption;
- Installing energy efficiency measures, such as more efficient lighting in the Neath Civic Centre and the Quays; and
- Targeting a programme of renewable energy solutions and energy efficiency measures across the estate on a prioritised basis. The energy team is being expanded on an invest-to-save basis to deliver the improvements available to the Council at greater pace.

Officers have undertaken a further detailed examination of expenditure and identified further opportunities to drive down costs by improving the economy and efficiency of the organisation. Every directorate has been charged with finding 2% savings on top of other budget measures. The aim has been throughout to protect jobs and services to the maximum extent possible.

As a result of the consultation feedback there are a number of changes to the originally proposed savings/income generation strategies contained within this final report. These are:

Street lighting

The proposal to switch off some street lighting columns at night has been withdrawn from the proposals. Further consideration of the proposal to switch off lighting columns will be undertaken in 2024-25, in particular, to address fear of crime concerns raised by residents.

Termination of Neath Canal public access rights agreement

This proposal has been withdrawn as the legal process will take longer than initially advised.

Full cost recovery of primary school cleaning

This proposal is now being phased over a three year period to mitigate the impact on schools.

A number of additional savings have been identified in order to close the budget gap. Appendix 5 details the savings and income generation proposals with the updated budget gap shown below:

2024/25 Budget gap summary – after savings / income

| | £'000 |
|---|---------------|
| Budget gap to be funded from savings/income generation or council tax | 15,553 |
| | |
| Savings identified | -6,627 |
| Income generation proposals identified | -2,201 |
| Total savings / income generation | -8,828 |
| | |
| Remaining budget gap to be funded from council tax | 6,725 |
| | |

Reserves position

The Council agreed a general reserves policy which states that the general reserve balance should be kept at 4% of the net revenue budget. The 2023/24 net revenue budget is currently £361m meaning that the general reserve should be held at c£14.4m. If these budget proposals are approved the 2024/25 net revenue budget will be £376m, meaning that a 4% general reserve balance would need to be £15m.

The latest budget monitoring report to December 2023 includes a projection that as at 31st March 2024 the balance on the general reserve will be £15.5m; the same reported also noted an in year overspend of £0.5m. If the in-year position doesn't improve by the end of the financial year, the general reserve balance reduces to £15m at the 4% advised level. As a result of this, the Chief Finance Officer's view is that there is no scope to use the general reserve to help balance the 2024/25 budget.

In addition, Members are reminded that £6m of specific reserves are being used to fund recurring costs in Social Services while longer term interventions are developed.

Proposals for council tax in 2024/25

Under the Local Government Finance Act 1992 Council is required to set a balanced budget with regard to the advice of the Chief Finance Officer (Section 151).

The Welsh Government settlement assumes that all Councils in Wales will increase council tax by 6.8%.

In addition the 2023/24 budget proposals included a two year funding strategy for indoor leisure services. This strategy set out the need to increase council tax by 4% phased over a two year period. 2024/25 is the second year of that period therefore an increase of equivalent to 2% is required.

The Mid and West Wales Fire and rescue Authority has determined to levy an increase of 9.4%. This is equivalent to a council tax increase of 1.24%

These budget proposals include a recommendation that council tax increases by 7.9% in 2024/25. Council tax at Band D for 2024/25 would be £1,871.76.

Details of the increases by property band are shown below:

| Band | Chargeable Dwellings | % in Band | Cumulative % | Current (2023/24) £ | 2024/25 new rate with an increase of 7.90% | Annual Increase £ | Monthly Increase (12) £ | Weekly Increase £ |
|------|----------------------|-----------|--------------|---------------------|--|-------------------|-------------------------|-------------------|
| A | 13,344 | 20.63% | 20.63% | 1,156.48 | 1,247.84 | 91.36 | 7.61 | 1.76 |
| B | 26,416 | 40.83% | 61.46% | 1,349.23 | 1,455.81 | 106.58 | 8.88 | 2.05 |
| C | 11,387 | 17.60% | 79.06% | 1,541.97 | 1,663.79 | 121.82 | 10.15 | 2.34 |
| D | 7,195 | 11.12% | 90.19% | 1,734.72 | 1,871.76 | 137.04 | 11.42 | 2.64 |
| E | 4,358 | 6.74% | 96.92% | 2,120.21 | 2,287.71 | 167.50 | 13.96 | 3.22 |
| F | 1,353 | 2.09% | 99.01% | 2,505.71 | 2,703.65 | 197.94 | 16.50 | 3.81 |
| G | 529 | 0.82% | 99.83% | 2,891.20 | 3,119.60 | 228.40 | 19.03 | 4.39 |
| H | 95 | 0.15% | 99.98% | 3,469.44 | 3,743.52 | 274.08 | 22.84 | 5.27 |
| I | 14 | 0.02% | 100.00% | 4,047.68 | 4,367.44 | 319.76 | 26.65 | 6.15 |

Due to the relative number of properties in bands A-C these proposals represent an **average** increase in council tax of £2.25 per week.

The Council Tax Reduction Scheme (CTRS) provides council tax support to approximately 15,500 households within the County Borough, of which approximately 10,850 receive full support and pay no Council Tax. The remaining 4,650 households receive partial support to pay for their Council Tax.

Medium term financial outlook

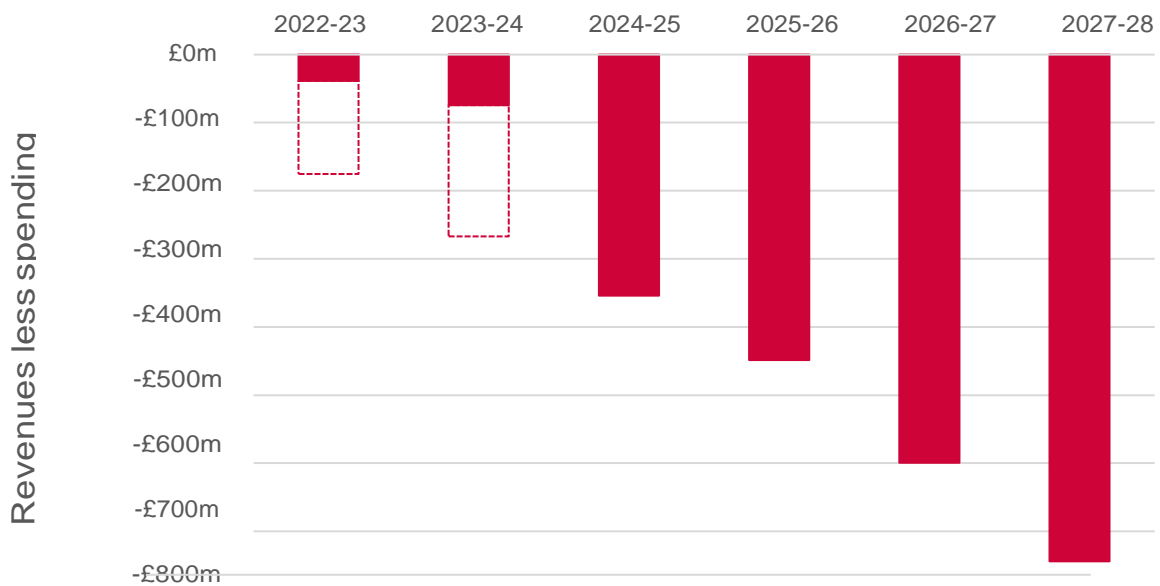
The current medium term financial outlook for local authorities in Wales is challenging to say the least. The Welsh Government have recently indicated that the local government settlement for 2025/26 is likely to be ‘cash flat’ at best.

The latest outlook from the Wales Fiscal Analysis team includes the following observation:

‘local authority finances appear to be on an unsustainable path, with the funding gap growing in each year of the projection’

The outlook details a funding gap across Wales of £744m by 2027/28 as set out in the graph below:

Local authorities’ projected ‘funding gap’ relative to 2021-22 baseline



Revenues less spending Budgeted appropriations from reserves
Source: Wales Fiscal Analysis calculations. ●

In terms of the Council’s Medium Term Financial Plan (MTFP) we are currently forecasting a budget gap of c£48m by 2028/29. This increase is a mix of pay/inflation, service pressures and demographic demand. Since the MTFP was prepared the Welsh Government have provided forecasts which

are far worse than previously modelled which will increase this gap significantly.

Once the 2024/25 budget has been agreed officers will commence the process of revisiting the assumptions in the MTFP and start once again in earnest on budget proposals for 2025/26 and beyond

Crime and Disorder Impact

The Council has a legal duty under Section 17 of the Crime and Disorder Act 1998 to carry out all its various functions with “due regard to the need to prevent Crime and Disorder in its area”.

Where there are specific proposals which will impact on crime and disorder, these have been subject to separate public consultation and integrated impact assessments.

Integrated Impact Assessment

The Equality Act 2010 requires public bodies to “pay due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristics and persons who do not share it.”

Section 1 of the Equality Act requires that public bodies when making strategic decisions, have due regard to the need to reduce the inequalities of outcome resulting from socio-economic disadvantage.

An integrated impact assessment (IIA) is appended to this report and this provides further detail. The main conclusion from the IIA is that:

‘The budget seeks to:

- *Enable the Council to continue to deliver its Corporate Plan*
- *Enable the Council to engage with investors*
- *Deliver local and WG policy priorities*
- *Sustain the Council*

The budget seeks to maintain essential services and to protect employment to the maximum extent possible whilst limiting the burden on council tax payers and users of services.'

Workforce Impacts

This budget supports the Council's commitment to social partnership and to maintaining security of employment to the maximum extent possible. The Cabinet members and chief officers have worked closely with the trade unions throughout the budget process to identify savings and income proposals and to lobby both UK and Welsh Governments to prioritise local government within their spending decisions. Staff have also been encouraged to contribute ideas from an early point in the budget process so that everyone has an opportunity to shape the budget proposals.

Legal Impacts

The provisions of the Local Government Finance Act 1992 (LGFA 1992) set out what the council has to base its budget calculations upon, and require the council to set a balance budget with regard to the advice of its Chief Finance Officer (section 151). The council has a legal duty to provide a range of statutory services and these duties are not absolved if the budget is set late or not agreed

The setting of the budget is a function reserved to full Council, who will consider the draft budget which has been prepared by the Executive.

Once the budget has been agreed by full Council the Executive cannot make any decisions which conflict with it, although virements and year-in-year changes can be made in accordance with the Financial Procedure Rules.

Section 30(6) LGFA 1992 provides that the council has got to set its budget before 11 March in the financial year preceding the one in respect of which the budget is set.

A failure to set or a delay in setting the budget may well affect the council's ability to enter into any new agreements unless the budget is agreed as otherwise these would be potentially unlawful as unfunded commitments. Councils also have increasingly important financial and corporate governance reputations to keep strong and the failure to set a council tax, or even informal references to a potential failure to set a council tax, would be likely to have a significant adverse impact on the council's reputation locally

and nationally in terms of investor confidence. The council as a corporate body and the members, both individually and collectively, have a fiduciary duty to council taxpayers to avoid things that would result in loss of revenue or failure to deliver services along with moral and democratic obligations that this brings.

Consultation

A number of pre-consultation engagement activities took place:

- Pre-consultation public engagement roadshows took place in December 2023 in Aberafan Shopping Centre, Cymer Library, Neath Leisure Centre and Pontardawe Heritage Centre. The purpose was to help explain the context in which the 2024-25 budget is being set and to encourage people to respond to the forthcoming consultation.
- Staff Council – 28 November 2023
- Voluntary Sector Liaison Forum – 13 November 2023

The Cabinet authorised a period of public consultation on 20 December 2023. The consultation started on 20 December 2023 and closed on 10 January 2024. 556 people participated in the public consultation exercise and the feedback received has been carefully considered to further develop the budget options. In addition to the questionnaire responses, six written responses were also received.

Activities during the consultation period included:

- Online questionnaire - a self-completion questionnaire was published online. Respondents were not asked to identify themselves, but were asked to indicate why they were interested in the council's budget setting process and their postcode. The questionnaire was live from Wednesday 20 December 2023 (following Cabinet's approval) until midnight on Wednesday 10 January 2024.
- Offline – paper questionnaires, explainer leaflets, reference copies of the cabinet report dated 20 December 2023 and feedback boxes for completed questionnaires were made available in 35 public facilities across the county borough. These included Civic Centres, council run and community libraries, and Celtic Leisure venues amongst others. All documents were made available in Welsh and English. The questionnaire was a replica of the online version and responses were entered into the survey software for analysis.

- NPT Council employee meetings – consultation meetings took place for council employees (3 meetings at the Service Response Centre and 1 MS Teams meeting). These were led by a panel including chief officers and trade union representatives and provided a briefing on the draft budget and an opportunity for employees to ask questions and put forward additional comments and suggestions.
- Email – the email address LetsTalk@npt.gov.uk was used for people who wanted to respond via this mechanism.
- Stakeholder consultation – this included 4 scrutiny committees, and the Town and Community Councils Liaison Forum.

The consultation was promoted via:

- the council’s website:
 - on the homepage – via the ‘top tasks’ and ‘home page tile
 - a dedicated web page www.npt.gov.uk/LetsKeepTalking
 - on the consultation pages www.npt.gov.uk/consultations
- Adverts/posters on TV screens in the Neath and Port Talbot Bus Stations and Neath Train Station.
- Posters, printed questionnaires, an explainer leaflet and feedback boxes at public venues including libraries, Celtic Leisure venues, civic centres and other public buildings.
- The council’s corporate social media accounts. At the start and towards the end of the consultation period, NPT Council Elected Members were sent an email asking those who had their own social media accounts to share the council’s posts.
- Press coverage generated by cabinet reports and press releases.
- NPT News – the council’s e-newsletter (edition 68: 21 December 2023)
- Email
 - NPT Council Elected Members, Voluntary Sector representative and Community Councils were notified that the consultation had started and signposted to further details. Face to face briefings were also held for voluntary sector representatives and town and community council representatives.
 - NPT Citizens’ Panel – an email announcing the start of the consultation and inviting panel members to respond was circulated on 21 December 2023, with a reminder follow up on 5 January 2024.

- Internal communications channels (staff notice boards, staff newsletter, intranet, Viva Engage)

Every scrutiny committee also met during the consultation period to review the budget proposals and to offer comment to the Cabinet. No recommendations emerged from the scrutiny process.

The budget consultation exercise conducted was additional to a number of separate consultation exercises that have been carried out on specific proposals that are included within the budget strategy. These include:

- Public consultation on proposals to trim, dim or part switch off street lighting was authorised on 14th November 2023 at the Environment, Regeneration and Streetscene Cabinet Board. The outcome of public consultation will be reported back to the Cabinet Board in March 2024. Budget proposals contained in this report have been reduced as a consequence of the feedback received from consultation and no longer include proposals for part switching off of street lights in 2024/25.
- The outcome of a 90 day public consultation that commenced on July 13th 2023 on the proposed housing and homelessness strategic plan was report to the Social Services, Housing and Community Safety Cabinet Board on January 25th 2024. Eleven consultation events were held to solicit stakeholder feedback on proposals. The NPT Council for Voluntary Services also provided a written response highlighting feedback from a range of voluntary sector organisations.
- The Social Services, Housing and Community Safety Cabinet Board also considered the outcome of a 60 day consultation carried out on a draft adult social care strategy at its meeting on January 25th 2024.

Additionally, to test public opinion at the formative stage of the budget process, the 'Let's keep talking' campaign ran over the summer of 2024.

A summary of the consultation responses is included within Appendix 8 of this report.

Section 151 Officer Responsibility and Risk Management

Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to Council on the “robustness of the estimates” used in calculating the budget requirement.

The Chief Finance Officer has made the necessary enquiries and received assurances from officers that the estimates are prudent and achievable.

A pay contingency equivalent to 1.5% has been set aside in the base budget to fund any variations and the risks in delivering the savings included in the budget. Should the risks be higher than this then the Corporate Contingency Reserve will be available to support any emergency calls.

There are a number of substantial risks contained within these proposals which will need to be monitored and managed during 2024/25. The following is not an exhaustive list but represents the most significant at this stage:

- Energy costs – Energy costs increased significantly during 2023/24 however it is envisaged that these will reduce by 2024/25. If this is not the case there is a risk that schools and other high energy consuming services will need to take action to manage any overspend position.
- Vacancy factor – if there are insufficient vacancy savings achieved in year and Corporate Directors are not able to identify other savings to make up any shortfall then there is a risk of an in-year overspend
- Removal of subsidies – the removal of subsidies over the course of the MTFP period represents a risk that if not achieved there will be a budget pressure or services would have to be reduced
- Pay award could be greater than the 4% (2.5% plus 1.5% contingency) included in the budget . This would create an in-year pressure that would have to be addressed through short term income and expenditure measures and would increase the budget gap over the medium term.
- There is a risk that the proposed increase in fees and charges will not be achieved if paying customers are below the level anticipated.
- Demand for services may increase.
- The ongoing war in Ukraine and wider geopolitical environment may have further impacts on the Council’s financial position which would increase the gap over the medium term

- The impact of Brexit remains a risk, potentially affecting costs and the availability of labour. If these are significant they could increase the gap over the medium term and also cause short term cost pressures, particularly in the capital programme, leading to a re-prioritisation of capital schemes or a longer delivery timetable
- Recruitment and retention of staff – without sufficient people being able to recruit into vacant posts, there is a risk that more work will be externalised adding to costs. This will be mitigated through the Future of Work strategy
- Legislative changes – there is a risk that new legislation is not fully funded placing additional pressure on council resources. This would increase the gap over the medium term
- In-year changes to specific grant funding – if grants are reduced in real terms an in-year adjustment service levels would need to be made to enable activities to be delivered within a lower cost base.
- Ability to deliver WG recycling targets to minimise financial penalties - the waste management review is underway and will produce a strategy that seeks to mitigate this risk.
- Inclement weather impacts on services, infrastructure, communities and budget/reserves – the Council retains good financial resilience as part of this budget strategy which would mitigate this risk.
- As a consequence of increases in demand there is a risk that the investment proposals being delivered across Social Services and Housing do not deliver the reductions in base budgets required. In addition to the invest to save proposals a range of other strategies will be developed to sustain service delivery without significant disruption to other council services. Whilst this is achievable in the short term, it is unlikely that this will be a sustainable position over the medium term without significant additional government investment.

The tables included in appendix 5 of this report provide additional information regarding the risk/impact of each savings proposal.

Recommendation

It is recommended that Cabinet having due regard to the integrated impact assessment information set out in appendix 9 consider the following recommendations.

Recommendation 1 - In relation to the proposed revenue budget for 2024/25 approve the budget proposals set out in appendix 1 of the report.

Recommendation 2 - In relation to fees and charges and in line with the principles outlined in this report the Cabinet are asked to approve:

➤ 2a) Fees and Charges Executive Functions

That the following matters are delegated to the appropriate Corporate Director following consultation with the Council Leader, relevant Cabinet Member and Chair of the relevant Scrutiny committee:-

-Fees and charges applicable for the financial year 2024/25

-Fees and Charges which are applicable in any subsequent financial year and which, in the opinion of the relevant Corporate Director, need to be set in advance of the financial year for operational reasons.

➤ 2b) Fees and Charges Non Executive Function

Fees and charges for non-executive functions – that the determination of the following matters be delegated to the appropriate Corporate Director following consultation with the Council Leader, Deputy Leader and Chair of the relevant Non-executive committee

- Fees & charges applicable in 2024/25

-Fees and charges applicable in any subsequent financial year and which, in the opinion of the Corporate Director, need to be set in advance of that financial year for operational reasons

Recommendation 3 - In relation to the setting of Council Tax levels for 2024/25 Cabinet are asked to commend to Council that:

- Council Tax in 2024/25 will increase by 7.9%. The 2024/25 Band D equivalent for Neath Port Talbot County Borough Council will be £1,871.76

Reason for Proposed Decision

To fulfil the statutory requirement to determine the budget for 2024/25.

To provide a mechanism for dealing with any variation between the provisional and final Welsh Government settlements

To agree arrangements for setting Fees and Charges.

Implementation of Decision

The decision is proposed for implementation after consideration and approval by Council.

Appendices

Appendix 1 - Revenue Budget 2024/25

Appendix 2 - Inflation assumptions

Appendix 3 - Unavoidable service pressures

Appendix 4 - Pressures to be monitored

Appendix 5 – 2024/25 savings / income generation proposals

Appendix 6 – 2025/26 – 2028/29 savings and income generation proposals

Appendix 7 - Schedule of reserves

Appendix 8 - Summary of consultation responses

Appendix 9 - Integrated Impact Assessment

Background Papers

- Outlook Report – Cabinet, 20th September 2023
- Consultation on changes to street lighting – Environment, Regeneration and Streetscene Cabinet Board, 14th November 2023
- Budget Report – Cabinet, 20th December 2023
- Provisional Local Government Settlement – Update Report – Cabinet 22nd January 2024
- Transformation of Housing and Homelessness Services – Social Services, Housing and Community Safety Cabinet Board, 25th January 2024
- Transformation of Adult Social Care – Social Services, Housing and Community Safety Cabinet Board, 25th January 2024

- Annexe containing all narrative comments received in the pre-consultation and consultation phases together with officer comments

Officer Contact

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Appendix 1 – 2024/25 Revenue Budget

| Neath Port Talbot County Borough Council 2024/25 Proposed budget and financing | | | |
|---|----------------------------------|----------------------------------|----------------------|
| | 2023/24 Original Budget £'000 | 2024/25 Original Budget £'000 | Annual Increase % |
| Schools | 102,086 | 106,458 | 4.3% |
| Education, Leisure and Lifelong Learning | 31,677 | 33,125 | 4.6% |
| Social Services, Housing and Community Safety | 105,572 | 113,699 | 7.7% |
| Environment | 46,262 | 46,515 | 0.5% |
| Finance / Strategy and Corporate Services | 21,357 | 21,366 | 0.0% |
| | 306,953 | 321,163 | |
| Levies | | | |
| Swansea Port Health Authority | 46 | 46 | |
| Corporate Joint Committee Levy | 127 | 127 | |
| Fire Authority | 9,923 | 10,799 | |
| Fire Authority - pension grant | | -230 | |
| Margam Crematorium | 1 | 1 | |
| | 10,097 | 10,743 | |
| Contributions | | | |
| Archive Service | 96 | 106 | |
| Magistrates Court | 10 | 10 | |
| | 106 | 116 | |
| Other Expenditure | | | |
| Treasury Management / Capital Financing | 19,608 | 19,603 | |
| Council Tax Support | 19,413 | 20,784 | |
| 2022/24 Pay contingency | 4,714 | -0 | |
| 2023/24 Pay contingency - central services | | 2,238 | |
| 2023/24 Pay contingency - schools | | 1,577 | |
| Contingency | 786 | 375 | |
| Energy efficiency / Transition / Contingency | 2,800 | 0 | |
| | 47,321 | 44,577 | |
| Contribution from General Reserve | -3,500 | 0 | |
| NET REVENUE BUDGET | 360,977 | 376,599 | |
| Funded by: | | | |
| Aggregate External Finance | 276,696 | 285,594 | |
| Discretionary Rate Relief | -387 | -389 | |
| Council Tax - Neath Port Talbot | 84,668 | 91,393 | |
| TOTAL FUNDING | 360,977 | 376,599 | |

Appendix 2 – Inflation assumptions

| Expenditure Category | Inflation % |
|---------------------------------|-------------|
| | |
| Pay(2.5% & 1.5% contingency) | 4.00% |
| Employee other | 4.00% |
| Energy - gas and electricity | 0.00% |
| NNDR | 1.00% |
| Other premises | 2.00% |
| Home to school transport | 5.00% |
| Other transport | 2.00% |
| Supplies And Services | 0.00% |
| External waste contracts | 5.00% |
| Adult services | 7.10% |
| Childrens services | 5.00% |
| Other payments to third parties | 2.00% |
| Internal Services | 2.00% |
| Transfer Payments | 2.00% |
| Fire Service Levy | 9.40% |
| Council Tax Reduction Scheme | 7.90% |

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Appendix 3 – Unavoidable Service Pressures

| Directorate | Detail | £'000 2024/25 | £'000 2025/26 | £'000 2026/27 | £'000 2027/28 | £'000 2028/29 | £'000 Total |
|---|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| <u>Schools</u> | - | | | | | | |
| Schools | Welsh Medium Starter School Neath Abbey | 300 | 350 | | | | 650 |
| Schools | Address historical shortfall in teaching assistant funding | 750 | 750 | 750 | 750 | 750 | 3,750 |
| Total Schools | | 1,050 | 1,100 | 750 | 750 | 750 | 4,400 |
| <u>Education, Leisure & Lifelong Learning (ELLL)</u> | | £'000 2024/25 | £'000 2025/26 | £'000 2026/27 | £'000 2027/28 | £'000 2028/29 | £'000 Total |
| Leisure | Increased cost of operating indoor leisure by Celtic Leisure - phased over two years | 1,400 | | | | | 1,400 |
| Leisure | Additional cost of running indoor leisure if insourced | | 1,300 | | | | 1,300 |
| Additional learning needs | Increase in planned places for children with additional learning needs | 250 | | | | | 250 |
| Total ELLL | | 1,650 | 1,300 | 0 | 0 | 0 | 2,950 |

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Appendix 3 – Unavoidable Service Pressures

| | | £'000 2024/25 | £'000 2025/26 | £'000 2026/27 | £'000 2027/28 | £'000 2028/29 | £'000 Total |
|--|--|------------------|------------------|------------------|------------------|------------------|----------------|
| <u>Environment (ENV)</u> | | | | | | | |
| Environment | Core fund posts funded from service resilience reserve | 500 | 500 | | | | 1,000 |
| Environment | Budgets temporarily reduced by £850K over two years to fund staff undertaking work associated with grant income. When the grant ends in 2025/26 the budget needs to be reinstated. | | | 850 | | | 850 |
| Total ENV | | 500 | 500 | 850 | 0 | 0 | 1,850 |
| | | £'000 2024/25 | £'000 2025/26 | £'000 2026/27 | £'000 2027/28 | £'000 2028/29 | £'000 Total |
| <u>Social Services, Health and Housing (SSHH)</u> | | | | | | | |
| Adult Services | Actual growth in placements | 1,500 | 5,750 | 1,500 | 1,000 | 1,000 | 10,750 |
| Housing and Homelessness | Increased cost of provision | | 1,100 | | | | 1,100 |
| Total SSHH | | 1,500 | 6,850 | 1,500 | 1,000 | 1,000 | 11,850 |
| Grand total funded unavoidable service pressures | | 4,700 | 9,750 | 3,100 | 1,750 | 1,750 | 21,050 |

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Appendix 4 – Pressures to be monitored

| Directorate | Pressure | £'000 | Risk if not supported |
|-------------------------------------|--|--------------|--|
| Social Services, Health and Housing | Market Pay supplement for Social workers | 1,000 | Social workers leaving NPT to work for other LA's who are currently paying more-meaning more work for those remaining, less time to do more detailed assessments of clients and clients potentially being placed into high cost placements as a first resort |
| Social Services, Health and Housing | 2023/24 base budget funded from reserves - anticipation that late notification of grants will offset | 3,800 | Reserves will run out leaving base budget gap |
| Social Services, Health and Housing | Homelessness | 1,100 | Failure of statutory duty, people will be forced to live back on the streets) |
| Social Services, Health and Housing | Residential Care increase in placements | 900 | Failure of statutory duty |
| TOTAL | | 6,800 | |

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Appendix 5 – 2024/25 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2024/25 Total | £'000 2024/25 Saving | £'000 2024/25 Income generation |
|------------|---|--|---|---------------------------|----------------------------|--|
| Tudalen40 | | <u>Directorate</u> | | | | |
| | | Schools | | 250 | 250 | 0 |
| | | Education, Leisure and Lifelong Learning | | 1,454 | 570 | 884 |
| | | Environment | | 1,741 | 907 | 834 |
| | | Social Services, Health and Housing | | 2,063 | 1,788 | 275 |
| | | Corporate Services | | 610 | 462 | 148 |
| | | Other / Council wide savings | | 2,710 | 2,650 | 60 |
| | | Total | | 8,828 | 6,627 | 2,201 |
| SCH1 | <u>Schools</u> Noelwyn Daniel | - | Review of contracting and procurement arrangement has identified scope for significant savings | 250 | 250 | |
| | | - | | | | |
| | | Total (Schools) | | 250 | 250 | 0 |
| - ELLL1 | <u>Education, Leisure and Lifelong Learning (ELLL)</u> Chris Saunders | - Margam Country Park | Car park changes, orangery improvements, catering improvements, motorhome site, land train and additional catering. | 100 | | 100 |

Appendix 5 – 2024/25 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2024/25 Total | £'000 2024/25 Saving | £'000 2024/25 Income generation |
|-----------|---------------------|---|--|---------------------------|----------------------------|--|
| ELLL2 | Chris Saunders | Pontardawe Arts Centre | Additional events and catering improvements | 40 | | 40 |
| ELLL3 | Chris Saunders | Princess Royal Theatre | Additional events and pricing review. | 58 | | 58 |
| ELLL4 | Chris Saunders | Indoor leisure | Indoor Leisure - trading improvements. | 460 | | 460 |
| ELLL5 | Chris Saunders | Aberafan Seafront | Seafront - New kiosk run in house | 25 | | 25 |
| ELLL6 | Chris Saunders | Library Service | Service remodelling | 20 | 20 | |
| ELLL7 | Rhiannon Crowhurst | Home to school transport | Externally led review of all existing arrangements | 350 | 350 | |
| ELLL8 | Rhiannon Crowhurst | School Meals | Offset Universal Primary Free School Meals (UPFSM) admin grant against core salary costs | 70 | | 70 |
| ELLL9 | Rhiannon Crowhurst | Primary school cleaning | Full cost recovery - Increase cleaning recharge to schools phased over three years | 84 | | 84 |
| ELLL10 | Hayley Lervy | Out of County Placements | Remove current contingency within Independent Sector / Out of County Placements budget | 200 | 200 | |
| ELLL11 | Chris Millis | Parent, Pupil & Governor Support | Offset Period Dignity admin grant against core salary costs | 17 | | 17 |
| ELLL12 | Chris Millis | Education, Development & Inclusion Services | Offset Regional Consortia Support Improvement Grant (RCSIG) against core salary costs of Safeguarding Team - education & development | 20 | | 20 |
| ELLL13 | Chris Millis | Youth Service | Offset youth support grant against core funded post | 10 | | 10 |
| | Total (ELLL) | | | 1,454 | 570 | 884 |
| | | | | | | |

Appendix 5 – 2024/25 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2024/25 Total | £'000 2024/25 Saving | £'000 2024/25 Income generation |
|-----------|---------------------------------|---|--|---------------------------|----------------------------|--|
| - | <u>Environment (ENV)</u> | - | | | | |
| ENV1 | Simon Brennan | Accommodation review - phase 2 | Further savings from rationalisation of buildings including closure of Tregelles Court office building | 96 | 96 | |
| ENV3 | Simon Brennan | Grant maximisation | Maximising the charging of staff time against external grants whilst available | 350 | 350 | |
| ENV4 | Simon Brennan | Former Metal Box building | This is a savings target aimed at removing the current operating subsidy of the former Metal Box premises in Neath. | 185 | | 185 |
| ENV5 | Simon Brennan | Property & Regeneration (Strategic Funding) | City Deal Programme Management - additional income | 142 | | 142 |
| ENV6 | Simon Brennan | Property & Regeneration (Facilities Management) | Reduce cleaning posts | 24 | 24 | |
| ENV8 | Mike Roberts | Street lighting | Reduction in energy costs in relation to street lighting - introduction of dimming and other energy saving measures. Excludes lighting switch off element of consultation. | 220 | 220 | |
| ENV9 | Mike Roberts | Streetcare (Waste) | Increase recycle Income following the remodelling of the MRec | 400 | | 400 |
| ENV10 | Mike Roberts | Streetcare (Waste) | Energy savings at the Mrec | 50 | 50 | |
| ENV11 | Mike Roberts | Streetcare (Waste) | Take action to reduce the level of breakages evident in the recycling boxes/bags | 25 | 25 | |
| ENV12 | Mike Roberts | Streetcare (Neighbourhood) | Termination of Neath Canal Public Access Rights Agreement on lower section - On hold subject to ongoing legal advice | | | |
| ENV13 | Mike Roberts | Streetcare (Neighbourhood) | Termination of License Agreement on the upper section of the Neath Canal | 100 | 100 | |
| ENV14 | Mike Roberts | Streetcare (Neighbourhood) | Full Cost Recovery for schools grounds maintenance | 50 | | 50 |

Appendix 5 – 2024/25 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2024/25 Total | £'000 2024/25 Saving | £'000 2024/25 Income generation |
|-----------|----------------|--|---|---------------------------|----------------------------|--|
| ENV15 | Dave Griffiths | Highways and Engineering (Road Safety) | Learner Travel Wales Measure | 7 | 7 | |
| ENV16 | Dave Griffiths | Highways and Engineering (Highways Development Control) | New range of charges for Sustainable Drainage (SAB) pre-application advice | 9 | | 9 |
| ENV18 | Dave Griffiths | Highways and Engineering (Transport Management) | SLAs with SWTRA and Tai Tarian to be reconsidered with a view to increasing income by 5%. These are not double counted against the fees and charges income target | 5 | | 5 |
| ENV19 | Dave Griffiths | Highways and Engineering (Engineering Consultancy) | Increase the multiplier to maximise staff costs from the capital programme | 20 | | 20 |
| ENV20 | Ceri Morris | Planning and Public Protection (General Environmental Health) | Increase income above 7.5% threshold on pest control service (£7k), Japanese Knotweed management service (£4k) | 11 | | 11 |
| ENV21 | Ceri Morris | Planning and Public Protection (General Environmental Health) | Increase the number of grant applications to WG to secure funding for air quality monitoring | 5 | | 5 |
| ENV22 | Ceri Morris | Planning and Public Protection (Trading Standards, Food & Health Protection) | General cuts to a variety of budgets including Proceeds of Crimae Act (POCA) costs to be trimmed, less promotion of events, car allowances, transport recharges | 11 | 11 | |
| ENV23 | Ceri Morris | Planning and Public Protection (Trading Standards, Food & Health Protection) | Increase in fees and charges above the 7.5% threshold. | 2 | | 2 |
| ENV24 | Ceri Morris | Planning and Public Protection (Policy, Countryside & Wildlife) | Reduction in use of consultants i.e. reduction in professional fees budget | 9 | 9 | |
| ENV25 | Ceri Morris | Planning and Public Protection (Policy, Countryside & Wildlife) | Reduction in Rights of Way Maintenance budget | 5 | 5 | |

Appendix 5 – 2024/25 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2024/25 Total | £'000 2024/25 Saving | £'000 2024/25 Income generation |
|-----------|---|---|---|---------------------------|----------------------------|--|
| ENV26 | Ceri Morris | Planning and Public Protection (Policy, Countryside & Wildlife) | Reduction in project work | 5 | 5 | |
| ENV27 | Ceri Morris | Planning and Public Protection (Development Management) | Increase in non statutory preapplication fees above the 7.5% threshold | 4 | | 4 |
| ENV28 | Ceri Morris | Planning and Public Protection (Development Management) | Increase in the number of Planning Performance Agreements secured (PPAs) | 1 | | 1 |
| ENV29 | Ceri Morris | Planning and Public Protection (Building Control) | Reduction in spend on professional fees, general clothing, electrical testing, stationery etc | 5 | 5 | |
| | Total (ENV) | | | 1,741 | 907 | 834 |
| - | <u>Social Services, Health and Housing</u> | - | | | | |
| SSHH2 | Angela Thomas | Adults Services | Transport Reconfiguration - Change opening times of in house day services to enable environment transport to perform the paid for external transport. Time to implement, part year savings 23/24, full year saving is £150k | 75 | 75 | |
| SSHH3 | Angela Thomas | Adults Services | Placements - Full review of placements | 500 | 500 | |
| SSHH4 | Angela Thomas | Adults Services | Additional grant funding - Grant for 3 grade 10s (need confirmation of grant funding) | 168 | | 168 |
| SSHH5 | Angela Thomas | Adults Services | Staff restructuring - ER/VR offer for specific posts, part year saving 23/24, full year saving £239k | 200 | 200 | |
| SSHH6 | Angela Thomas | Adults Services | 0.5 Carers Monitoring Officer (G6) - Grant funding | 15 | | 15 |
| SSHH7 | Angela Thomas | Adults Services | Night Support Workers - Remove Sleep-in in high cost scheme and a cluster of schemes, (costing needs firming up, 140k + £35k x 6 schemes) | 350 | 350 | |

Appendix 5 – 2024/25 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2024/25 Total | £'000 2024/25 Saving | £'000 2024/25 Income generation |
|-----------|------------------------|--------------------------|---|---------------------------|----------------------------|--|
| SSHH8 | Angela Thomas | Adults Services | Direct Payments - Full review of direct payments | 100 | 100 | |
| SSHH9 | Keri Warren | Childrens Services | Reduction in residential placements - Savings of step-down to Foster Plus Scheme and Supported Accommodation. Draft budget for 24/25 is based on 17 fte placements, aim is for 15 fte by end of March 25. Savings factor in cost of Foster Plus/Supported Accommodation. Will take time to implement, anticipated part year saving in 24/25 is £221k, full year saving is £601k | 221 | 221 | |
| SSHH10 | Keri Warren | Childrens Services | Hillside Recharge - Recharge Hillside fully for the support that children's service provide | 92 | | 92 |
| SSHH11 | Keri Warren | Childrens Services | Reduction in LAC Taxi Routes - Full review of all Taxi Routes to ensure Service is required, savings have already been identified in-year (23/24) | 100 | 100 | |
| SSHH12 | Keri Warren | Childrens Services | Recharge existing Social Work staff to Unaccompanied Asylum Seeking Children (UASC) Scheme - Continue to utilise existing staff as part of the UASC service delivery, funded via the Home Office | 117 | 117 | |
| SSHH13 | Keri Warren | Childrens Services | Reduction in non-Looked after children (LAC) Allowances - Natural reduction in Residence Orders/Special Guardianship Allowances | 50 | 50 | |
| SSHH14 | Andrew Jarrett | Business Support | Staff restructuring | 75 | 75 | |
| SSHH15 | Chele Howard | Housing and homelessness | Service transformation - new housing support model | | | |
| | Total SSH&H | | | 2,063 | 1,788 | 275 |
| | | | | | | |

Appendix 5 – 2024/25 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2024/25 Total | £'000 2024/25 Saving | £'000 2024/25 Income generation |
|-----------|--|--|--|---------------------------|----------------------------|--|
| | <u>Strategy and Corporate Services (S&CS)</u> | - | | | | |
| SCS1 | Huw Jones | Finance Division | Permanent closure to the public of cash desks at Neath and Port Talbot Civic Centres. | 52 | 52 | |
| SCS2 | Huw Jones | Finance Division | Contract savings from renewal of banking contract on revised terms | 4 | 4 | |
| SCS3 | Huw Jones | Finance Division | Contract saving from re-tendered insurance contracts | 82 | 82 | |
| SCS4 | Sheenagh Rees | People and Organisation Development Division | Explore potential to provide services under an SLA to support regeneration projects | 25 | | 25 |
| SCS5 | Sheenagh Rees | People and Organisation Development Division | Review Staffing structure | 123 | 123 | |
| SCS6 | Craig Griffiths | Legal and Democratic Services | Undertake a review of legal services resources to ensure consolidation of spend and most efficient use. Work presently on-going to achieve this with the aim of also reducing the number of licenses. More to generic licences instead of a licence for each member of staff. | 5 | 5 | |
| SCS7 | Craig Griffiths | Legal and Democratic Services | Implement development of a charging structure for Environmental Information Regulations searches following changes in law which can allow for charging in limited circumstances. Anticipated likely challenge from search providers so careful consideration must be given to development of structure and regime to avoid possibility of judicial review which might be likely. Work is ongoing with WLGA to discuss this in more detail. | 5 | | 5 |
| SCS8 | Craig Griffiths | Legal and Democratic Services | Development of a Celebrant Service within the Registrar Office (RO) to not only consider income generation but offer a service which there appears to be demand for in the community and which the Register Office staff appear to have knowledge and | 5 | | 5 |

Appendix 5 – 2024/25 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2024/25 Total | £'000 2024/25 Saving | £'000 2024/25 Income generation |
|-----------|-----------------|-------------------------------|---|---------------------------|----------------------------|--|
| SCS9 | Craig Griffiths | Legal and Democratic Services | ability to progress. RO currently developing business plan to achieve. Review of fees and charging in Register Office to be undertaken with the aim of changing the legal status of the marriage room which would enable the Council to charge more for the current venue (in line with approach that other districts take). RO to work with Property and Regeneration to identify if any larger venues also available to assist in income generation. Work is ongoing with the General Register Office to discuss the process this would have to take | 5 | | 5 |
| SCS10 | Craig Griffiths | Legal and Democratic Services | Introduction of new fees for licensed premises and special procedure rules following amendment of UK Legislation. Timescale expected in 2024 | 20 | | 20 |
| SCS11 | Craig Griffiths | Legal and Democratic Services | Increase in work capable of being recharged i.e. SWTRA, Margam Crematorium, Town and Community Councils, Tai Tarian and other parties | 7 | | 7 |
| SCS12 | Craig Griffiths | Legal and Democratic Services | Increasing Surcharges in Mailroom and making efficiencies in performance | 3 | | 3 |
| SCS13 | Craig Griffiths | Legal and Democratic Services | Deletion of Modern Apprentice in Legal Business Support (Currently Vacant) - Post is currently vacant but at present time team members are working at capacity in providing administrative support to legal officers and in Council wide processes. Increasing demand for digital bundles with HM Courts has meant workloads have changed requiring further time for officers in preparation. Whilst workloads | 28 | 28 | |

Appendix 5 – 2024/25 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2024/25 Total | £'000 2024/25 Saving | £'000 2024/25 Income generation |
|-----------|-----------------|-------------------------------|--|---------------------------|----------------------------|--|
| SCS4 | Craig Griffiths | Legal and Democratic Services | could be absorbed there will be a pressure on existing team members to meet demand. | | | |
| SCS15 | Craig Griffiths | Legal and Democratic Services | Increase income target in Commercial and Governance - Indications have been provided that in the next three to four years there will be additional in legal and procurement work from SWTRA. As a result of this we could increase the income target accordingly. Increase income target in Register Office - The budget is currently £212,000 whereas in the last financial year we have brought in £234,000 (this being without all the additional proposals we now have to increase). On the basis of the current registration figures, this figure is achievable without any detriment to service delivery. | 2 | | 2 |
| SCS16 | Craig Griffiths | Legal and Democratic Services | Reallocation of Corporate Joint Committee Funding - In the last two years there has been a sum of £25,000 which has been brought in from the Corporate Joint Committee which has for the most part been uncommitted. It was being kept to help meet training costs and to offset other legal costs incurred as a result of time spent by Dem Services and myself on CJC work. | 6 | | 6 |
| SCS17 | Chris Owen | Digital Services | Reviewing specific contracts including mobile telephony in light of hybrid working and reduction in photocopier numbers (separate to energy savings) | 35 | | 35 |
| SCS18 | Chris Owen | Digital Services | Review of Service Level Agreements | 20 | 20 | 20 |

Appendix 5 – 2024/25 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2024/25 Total | £'000 2024/25 Saving | £'000 2024/25 Income generation |
|------------------------------|--|----------------------------------|--|---------------------------|----------------------------|--|
| SCS19 | Chris Owen | Digital Services | As part of moving CCTV back to 24/7 operation, explore income generation options (e.g. extend coverage to Town Councils under SLAs, alarm line monitoring, concierge etc.) | 15 | | 15 |
| SCS20 | Chris Owen | Digital Services | Modernisation of technical infrastructure – power consumption cost reductions | 29 | 29 | |
| SCS21 | Chris Owen | Digital Services | Remove current vacancies from structure | 119 | 119 | |
| | Total S&CS | | | 610 | 462 | 148 |
| Tudalennyn CORP1 CORP3 | <u>Other / Council wide savings</u> | - | | | | |
| | Huw Jones | Reduce energy contingency budget | Reduction in revenue budget set aside for energy efficiency - significant investment will require capital investment so provision made in capital programme | 2,650 | 2,650 | |
| | Karen Jones | Corporate Joint Committee | Rebate on CJC levy | 60 | | 60 |
| | Total Other | | | 2,710 | 2,650 | 60 |
| | Grand total all savings and income generation | | | 8,828 | 6,627 | 2,201 |

Appendix 6 – 2025/26 – 2028/29 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2025/26 | £'000 2026/27 | £'000 2027/28 | £'000 2028/29 |
|-----------|---|--|---|------------------|------------------|------------------|------------------|
| Tudalen50 | | <u>Directorate</u> | | | | | |
| | | Schools | | 0 | 0 | 0 | 0 |
| | | Education, Leisure and Lifelong Learning | | 953 | 836 | 0 | 0 |
| | | Environment | | 390 | 185 | 0 | 0 |
| | | Social Services, Health and Housing | | 75 | 1,000 | 1,500 | 1,100 |
| | | Strategy and Corporate Services | | 250 | 350 | 0 | 0 |
| | | Other / Council wide savings | | 1,500 | 0 | 0 | 0 |
| | | Total | | 3,168 | 2,371 | 1,500 | 1,100 |
| - | <u>Education, Leisure and Lifelong Learning (ELLL)</u> | - | | | | | |
| ELLL1 | Chris Saunders | Margam Country Park | Car park changes, orangery improvements, catering improvements, motorhome site, land train and additional catering. | 150 | 206 | | |
| ELLL2 | Chris Saunders | Pontardawe Arts Centre | Additional events and catering improvements | 40 | 40 | | |
| ELLL3 | Chris Saunders | Princess Royal Theatre | Additional events and pricing review. | 58 | | | |
| ELLL4 | Chris Saunders | Indoor leisure | Indoor Leisure - trading improvements. | 100 | 100 | | |
| ELLL5 | Chris Saunders | Aberafan Seafront | Seafront - New kiosk run in house | 25 | | | |
| ELLL6 | Chris Saunders | Library Service | | | 20 | | |
| ELLL7 | Rhiannon Crowhurst | Home to school transport | Externally led review of all existing arrangements | 500 | 400 | | |

Appendix 6 – 2025/26 – 2028/29 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2025/26 | £'000 2026/27 | £'000 2027/28 | £'000 2028/29 |
|-----------|---|---|---|------------------|------------------|------------------|------------------|
| ELLL9 | Rhiannon Crowhurst | Primary school cleaning | Full cost recovery - Increase cleaning recharge to schools phased over three years | 80 | 70 | | |
| | Total (ELLL) | | | 953 | 836 | 0 | 0 |
| Reference | Lead | Service Area | Description of how saving/additional income will be achieved | £'000 2025/26 | £'000 2026/27 | £'000 2027/28 | £'000 2028/29 |
| - | <u>Environment (ENV)</u> | - | | | | | |
| ENV2 | Simon Brennan | Accommodation review - phase 3 | Further savings from rationalisation of buildings including depots | 322 | | | |
| ENV4 | Simon Brennan | Former Metal Box building | This is a savings target aimed at removing the current operating subsidy of the former Metal Box premises in Neath. | 185 | 185 | | |
| ENV5 | Simon Brennan | Property & Regeneration (Strategic Funding) | City Deal Programme Management saving | -142 | | | |
| ENV7 | Mike Roberts | Gnoll Country Park | This is a savings target aimed at removing the current operating subsidy of the Gnoll Country Park. Details of how this will be achieved are to be developed. | 25 | | | |
| | Total (ENV) | | | 390 | 185 | 0 | 0 |
| Reference | Lead | Service Area | Description of how saving/additional income will be achieved | £'000 2025/26 | £'000 2026/27 | £'000 2027/28 | £'000 2028/29 |
| - | <u>Social Services, Health and Housing</u> | - | | | | | |
| SSHH1 | Angela Thomas | Adult Social Care | Transformation of adult services including Trem-y-Glyn, Gelligron, Carers Service, Bespoked Enterprises and Falls Response | | 1,000 | 1,500 | |

Appendix 6 – 2025/26 – 2028/29 Savings and income generation proposals

| Reference | Lead | Service Area | Description | £'000 2025/26 | £'000 2026/27 | £'000 2027/28 | £'000 2028/29 |
|---------------------|--|---------------------------------|---|------------------|------------------|------------------|------------------|
| SSHH2 | Angela Thomas | Adults Services | Transport Reconfiguration - Change opening times of in house day services to enable environment transport to perform the paid for external transport. Time to implement, part year savings 23/24, full year saving is £150k Service transformation - new housing support model | 75 | | | |
| SSHH15 | Chele Howard | Housing and homelessness | | | | | 1,100 |
| | Total SSH&H | | | 75 | 1,000 | 1,500 | 1,100 |
| SCS2 Tudal 52 | <u>Strategy and Corporate Services (S&CS)</u> | - | Remodelling of Corporate Services to include Digital Services; Finance Division; Legal and Democratic Services; People and Organisational Development | | | | |
| | Noelwyn Daniel | Strategy and Corporate Services | | 250 | 350 | | |
| | Total S&CS | | | 250 | 350 | 0 | 0 |
| CORP2 | <u>Other / Council wide savings</u> | - | Possible introduction of council tax premium for second homes and long term empty properties. Subject to Member decision following consultation. | | | | |
| | Huw Jones | Council tax premiums | | 1,500 | | | |
| | Total Other | | | 1,500 | 0 | 0 | 0 |
| | Grand total all savings and income generation | | | 3,168 | 2,371 | 1,500 | 1,100 |

Appendix 7 – Schedule of reserves

| Description | Reserve Balance at 1st April 2024 £ | Original budget reserves 2024/25 £ | Current Projected Balance @ 31st March 2025 £ |
|--|--|---------------------------------------|---|
| Education, Leisure and Lifelong Learning | | | |
| <u>Delegated Schools Reserves</u> | | | |
| ERVR Primary | 0 | 0 | 0 |
| Primary Schools | 2,247,682 | 0 | 2,247,682 |
| Secondary Schools | Cr582,559 | 0 | Cr582,559 |
| Special Schools | Cr482,119 | 0 | Cr482,119 |
| Middle School | 1,778,616 | 0 | 1,778,616 |
| Repair & Maintenance | Cr161,160 | 0 | Cr161,160 |
| | 2,800,460 | 0 | 2,800,460 |
| <u>Education, Leisure and Lifelong Learning Other</u> | | | |
| Additional learning needs reserve | Cr1,102,000 | 165,000 | Cr937,000 |
| Equalisation Account-Education | Cr1,545,595 | 379,905 | Cr1,165,690 |
| Home to School Transport | Cr253,000 | 253,000 | 0 |
| | Cr2,900,595 | 797,905 | Cr2,102,690 |
| Total Education Leisure & Lifelong Learning | Cr100,135 | 797,905 | 697,770 |
| <u>Social Services, Health and Housing</u> | | | |
| Homecare ECM Equipment reserve | Cr90,000 | 90,000 | 0 |
| Community Care Transformation Reserve | Cr1,014,735 | 1,014,735 | 0 |
| Children's Residential Placements | 0 | 0 | 0 |
| SSHH IT Renewals Fund | Cr1,900,000 | 1,200,000 | Cr700,000 |
| Social Services Equalisation | Cr1,270,241 | 1,270,240 | Cr1 |
| Community Resilience Fund | Cr1,750,000 | 1,750,000 | 0 |
| Housing Warranties Reserve | Cr220,000 | 0 | Cr220,000 |
| Hillside General Reserve | Cr431,098 | 0 | Cr431,098 |

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Appendix 7 – Schedule of reserves

| Description | Reserve Balance at 1st April 2024 £ | Original budget reserves 2024/25 £ | Current Projected Balance @ 31st March 2025 £ |
|---|--|---------------------------------------|---|
| Ring fenced homecare funding | Cr82,000 | 0 | Cr82,000 |
| Youth Offending Team Reserve | Cr167,897 | 0 | Cr167,897 |
| Adoption Service | Cr380,000 | 380,000 | 0 |
| Total Social Services, Health and Housing | Cr7,305,971 | 5,704,975 | Cr1,600,996 |
| <u>Environment</u> | | | |
| Transport Reserve | Cr540,173 | 60,000 | Cr480,173 |
| Asset Recovery Incentive Scheme | Cr87,894 | 0 | Cr87,894 |
| Swansea Bay City Deal | Cr256,000 | 0 | Cr256,000 |
| Local Development Plan | Cr355,337 | 76,787 | Cr278,550 |
| Parking improvement | Cr63,850 | 30,500 | Cr33,350 |
| DARE Reserve | 0 | 0 | 0 |
| Waste Reserve | Cr2,153,246 | 2,153,246 | Cr0 |
| Winter Maintenance Reserve | Cr568,429 | 0 | Cr568,429 |
| Neath Market | Cr253,107 | 0 | Cr253,107 |
| Baglan Bay Innovation centre - dilapidation reserve | Cr77,517 | 0 | Cr77,517 |
| Renewable Energy Reserve | Cr17,959 | 0 | Cr17,959 |
| Environmental Health - Housing Equalisation | Cr36,699 | 0 | Cr36,699 |
| LAWDC Contingency Reserve | Cr1,565,177 | 0 | Cr1,565,177 |
| Workways - NPT | 0 | 0 | 0 |
| Environment Equalization Reserve | Cr1,653,124 | 407,355 | Cr1,245,769 |
| Metal box Reserve | Cr242 | 0 | Cr242 |
| Pantteg Landslip Reserve | Cr434,961 | 0 | Cr434,961 |
| <u>Trading Account</u> | | | |

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Appendix 7 – Schedule of reserves

| Description | Reserve Balance at 1st April 2024 £ | Original budget reserves 2024/25 £ | Current Projected Balance @ 31st March 2025 £ |
|--|--|---------------------------------------|---|
| Operating Account -Equalisation | Cr36,043 | 0 | Cr36,043 |
| Vehicle Tracking | Cr21,186 | 0 | Cr21,186 |
| Vehicle Renewals | Cr3,967,798 | Cr1,303,924 | Cr5,271,722 |
| Total Environment | Cr12,088,742 | 1,423,964 | Cr10,664,778 |
| <u>Strategy and Corporate Services</u> | | | |
| Elections Equalisation Fund | Cr166,139 | 30,000 | Cr136,139 |
| Health & Safety/Occupational Health | Cr40,501 | 0 | Cr40,501 |
| Digital Transformation Reserve | Cr1,170,000 | 848,500 | Cr321,500 |
| Schools IT Equalisation (HWB) | Cr400,000 | 0 | Cr400,000 |
| Development Fund for Modernisation | Cr32 | 0 | Cr32 |
| Digital renewal reserve | Cr1,234,394 | 0 | Cr1,234,394 |
| Chief Executives Equalisation Reserve | Cr97,736 | 50,000 | Cr47,736 |
| Organisational development reserve | Cr4,339,436 | 654,000 | Cr3,685,436 |
| Building Capacity | Cr120,295 | 70,000 | Cr50,295 |
| Voluntary Organisation Reserve | 0 | 0 | 0 |
| Total Strategy and Corporate Services | Cr7,568,533 | 1,652,500 | Cr5,916,033 |
| <u>Corporate Other</u> | | | |
| Insurance Reserve | Cr4,165,382 | 280,000 | Cr3,885,382 |
| Covid recovery | Cr594,350 | 594,350 | 0 |
| Income Generation Reserve | Cr113,230 | 0 | Cr113,230 |
| Members Community Fund Reserve | 26 | 0 | 26 |
| Capital support reserve | Cr683,447 | 0 | Cr683,447 |

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Appendix 7 – Schedule of reserves

| Description | Reserve Balance at 1st April 2024 £ | Original budget reserves 2024/25 £ | Current Projected Balance @ 31st March 2025 £ |
|--|--|---------------------------------------|---|
| Hardship relief scheme | Cr1,125,000 | 0 | Cr1,125,000 |
| Service resilience | Cr89,750 | 89,750 | 0 |
| Discretionary fund | Cr100,000 | 0 | Cr100,000 |
| Corporate Contingency | Cr2,659,495 | 653,442 | Cr2,006,053 |
| Strategic regeneration capacity building | | 0 | 0 |
| Treasury Management Equalisation Reserve | Cr8,407,767 | 0 | Cr8,407,767 |
| Accommodation Strategy | Cr3,173,580 | 31,672 | Cr3,141,908 |
| Transformation and modernisation | Cr6,700,000 | 5,195,025 | Cr1,504,975 |
| Total Corporate Other | Cr27,811,975 | 6,844,239 | Cr20,967,736 |
| <u>Joint Committee</u> | | | |
| Margam Discovery Centre - Building Maintenance Reserve | Cr174,440 | Cr57,333 | Cr231,773 |
| Workways - Regional Reserve | 140 | 0 | 140 |
| Environment Legacy Reserve (SWTRA) | Cr59,728 | 0 | Cr59,728 |
| Substance Misuse Area Planning Board | Cr153,568 | 0 | Cr153,568 |
| WB Safeguarding Board Reserve | Cr94,676 | 0 | Cr94,676 |
| Intermediate Care pooled fund | 0 | 0 | 0 |
| Total Joint Committee | Cr482,272 | Cr57,333 | Cr539,605 |
| Total All Earmarked Reserves | Cr55,357,628 | 16,366,250 | Cr38,991,378 |
| General Reserve | Cr15,449,693 | 0 | Cr15,449,693 |

Appendix 7 – Schedule of reserves

| Description | Reserve Balance at 1st April 2024 £ | Original budget reserves 2024/25 £ | Current Projected Balance @ 31st March 2025 £ |
|---------------------------|--|---------------------------------------|---|
| TOTAL ALL RESERVES | Cr70,807,321 | 16,366,250 | Cr54,441,071 |

Appendix 8 – Summary of consultation responses

Draft Budget Proposals 2024-25

Consultation Responses Summary

1.0 Background

1.1 On 20 December 2023, Cabinet authorised officers to consult members of the public on the Draft Budget Proposals for 2024-25. The public consultation followed four of pre-consultation engagement activities in Aberafan Shopping Centre, Cymer Library, Neath Leisure Centre and Pontardawe Heritage Centre to help set out the context in which next year’s budget is being set. These took place in December 2023.

1.2 The consultation objectives were to:

- provide a mechanism for people to contribute their views to the budget setting process.
- find out if people agree or disagree with the 4 key objectives on which the Budget strategy is based, and the approaches taken to the savings and income generation measures proposed.
- provide a mechanism for people to make comments and suggestions on:
 - the proposal to use £6.8 million from specific reserves to address funding pressures in Social Services and help balance the budget in 2024-25; and
 - how supportive they would be of a Council Tax rise to help protect/avoid cuts to services provided by the council? (*the provisional local government settlement was announced on the same day that the consultation started and the questionnaire made it clear that the settlement would need analysis for the underlying impact to be understood, as a result, there were no firm proposals in relation to how much council tax might need to rise for 2024-25*).
- provide a mechanism for people to share any other suggestions they might have on how the council can reduce the budget gap.
- provide an opportunity for people to share any other views on our Draft Budget 2024-25 proposals (e.g. to comment on any of the other proposals detailed in the cabinet report).
- ensure that the consultation was available to as many residents and organisations as possible.

2.0 The Consultation Process

2.1 A range of engagement and consultation activities took place to gather feedback to help inform the 2024-25 budget setting process, as follows:

| Date | Activity | No. of people Reached |
|------------------|--|-----------------------|
| 20.12.23-10.1.24 | Online questionnaires, and printed questionnaires with feedback boxes in 35 public venues across NPT | 556 responses |

Appendix 8 – Summary of consultation responses

| | | |
|------------------|---|---------------|
| 20.12.23-10.1.24 | Responses via letter/email/on behalf of organisations | 6 responses |
| 4 & 9.1.24 | Internal engagement sessions with NPT Council employees(3 face-to-face and 1 MS Teams) | 146 attendees |
| 20.12.23-10.1.24 | Stakeholder consultation: <ul style="list-style-type: none"> Town and Community Councils Liaison Forum 4.1.24 (15) Special Budget, Social Services, Housing and Community Safety Scrutiny Committee 4.1.24 (7) Special Budget, Education, Skills and Wellbeing Scrutiny Committee - 8.1.24 (13) Cabinet (Policy and Resources) Scrutiny Sub Committee - 9.1.24 (8) Special Budget, Environment, Regeneration and Streetscene Services Scrutiny Committee - 10.1.24 (9) | 52 attendees |
| TOTAL | | 760 |

- 2.2 The consultation was promoted via:
- The council website - homepage (via the 'top tasks' button), consultations page and Let's Keep Talking pages.
 - Adverts/posters on TV screens in the Neath and Port Talbot Bus Stations and Neath Train Station.
 - Posters, printed questionnaires, an explainer leaflet and feedback boxes at 35 public venues including libraries, Celtic Leisure venues, civic centres and other public buildings.
 - The council's corporate social media accounts.
 - Press coverage generated by cabinet reports and press releases.
 - Internal communications channels (staff notice boards, staff newsletter, intranet, Viva Engage)

3.0 Summary of Main Findings from questionnaire on Draft Budget Proposals 2024-25

3.1 This report summarises the findings from the online questionnaire. A total of 556 questionnaires were completed during the consultation period (20.12.23 – 10.1.24). 549 were completed in English and 7 in Welsh, with 535 responding online and 21 via printed questionnaires.

3.2 One paper questionnaire was received after the consultation had closed.

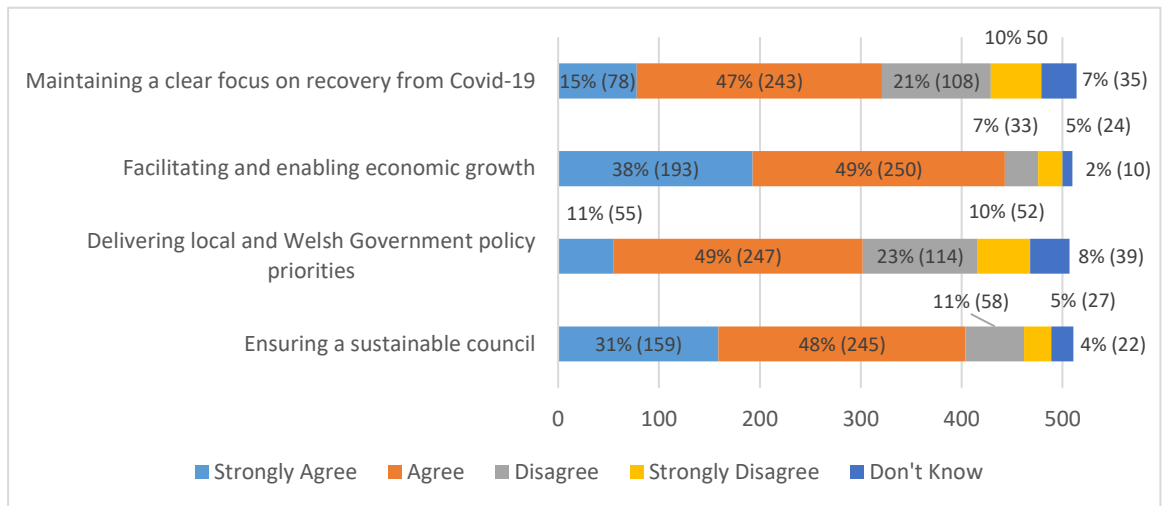
3.3 Summary of responses to main questions

Graphics are used in this report. Where percentages do not add to 100, this may be due to rounding to the nearest whole number, the exclusion of "don't know" categories, or multiple answers.

Appendix 8 – Summary of consultation responses

3.4 [Budget strategy - Key Objectives](#)

The 4 key objectives that the draft budget strategy is based on were outlined and respondents were asked to indicate to what extent they agree with these. Responses were as follows:



Consultation Themes - Key Objectives

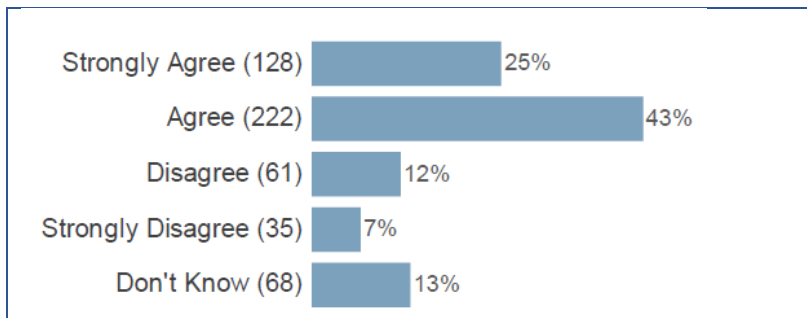
Respondents were invited to expand on their responses to the question on key objectives and the following themes emerged:

- there was generally a high level of support for the four proposed areas of focus
- a number of respondents questioned whether or how closely Welsh Government policy priorities aligned with local priorities and needs (with the introduction of the 25mph speed limit cited as an example by approx. 4% (25) of respondents)
- there were also a number of comments suggesting that COVID-19 should now be behind us, suggesting a lack of awareness of the ongoing impact

- 3.5 [Specific Reserves – Social Services](#) – Respondents were asked how they feel about the proposal to use £6.8 million from specific reserves to address funding pressures in Social Services and help balance the budget in 2024-25. Responses were as follows:

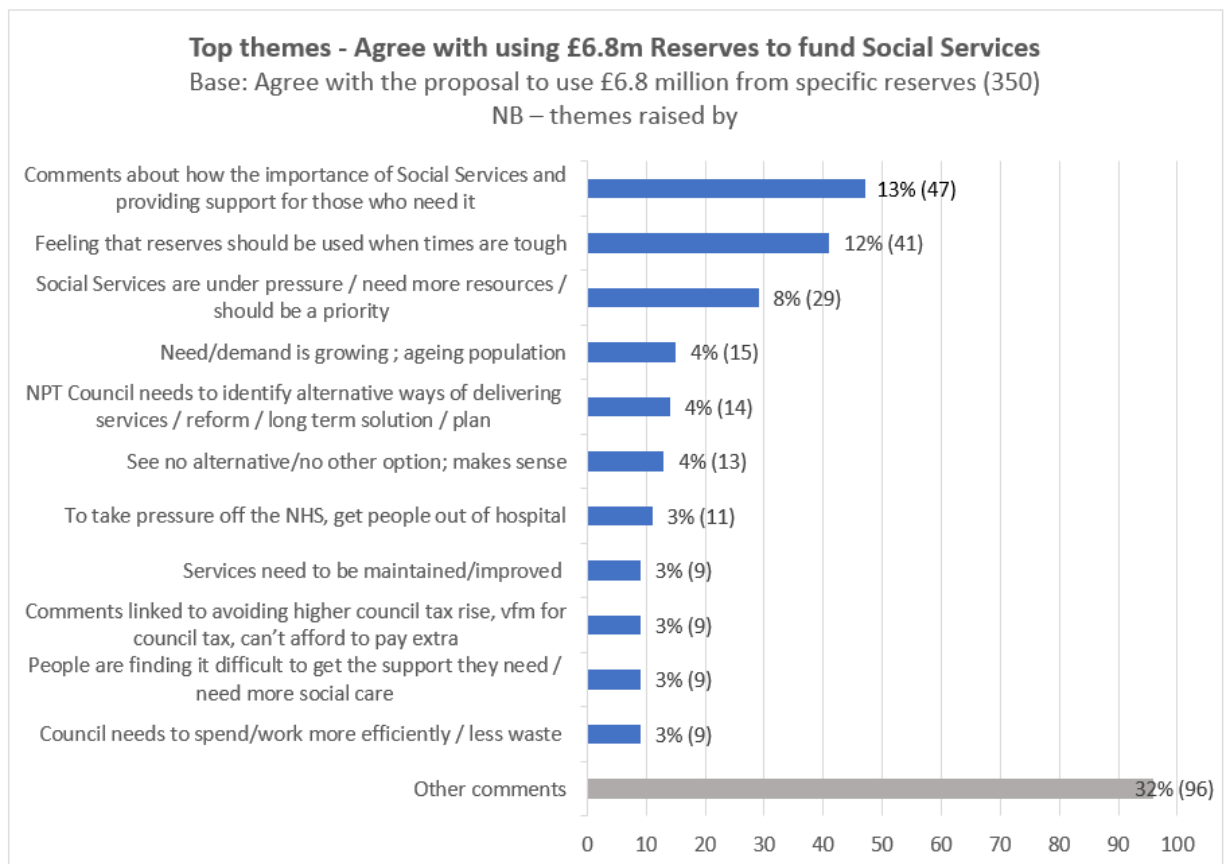
Base: All respondents who answered Q4: *How do you feel about the proposal to use £6.8 million from specific reserves to address funding pressures in Social Services and help balance the budget in 2024-25?* (514)

Appendix 8 – Summary of consultation responses



Consultation Themes – Specific Reserves Social Services:

Agree with proposal: of the 350 respondents who agree or strongly agree with the proposal to use £6.8 million from specific reserves to address funding pressures in Social Services and help balance the budget in 2024-25, 212 (61%) provided reasons for their response. The following chart summarises the main themes:



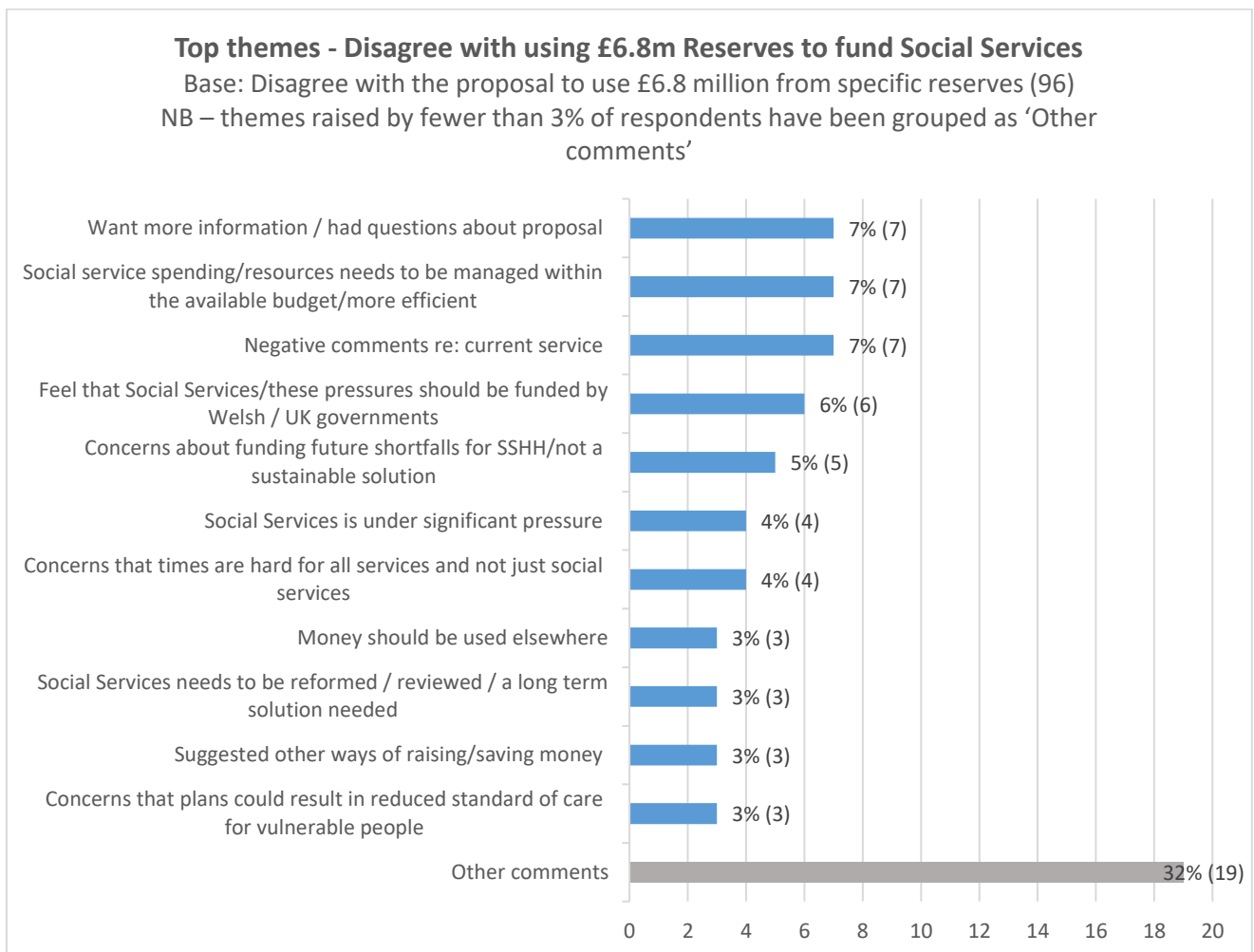
There were **11** themes mentioned by 3% or more of respondents who indicated that they agree with the proposal to use £6.8 million from specific reserves to address funding pressures in Social Services and help balance the budget in 2024-25.

Responses classified as 'other comments' included mentions of agreeing with this as a temporary measure/to give time to work on longer term solutions;

Appendix 8 – Summary of consultation responses

wanting assurance that the money will go into social services; concerns about future funding shortfalls and how they will be met once reserves are used; feeling they needed more detail about this proposal / what the plan is; feeling that service cuts are detrimental to the whole area / investing will benefit the area.

Disagree with proposal: of the 96 respondents who disagree or strongly disagree with the proposal to use £6.8 million from specific reserves to address funding pressures in Social Services and help balance the budget in 2024-2565, 65 (68%) provided reasons for their response. The following chart summarises the main themes:



There were **11** themes mentioned by 3% or more of respondents who indicated that they disagree with the proposal to use £6.8 million from specific reserves to address funding pressures in Social Services and help balance the budget in 2024-25.

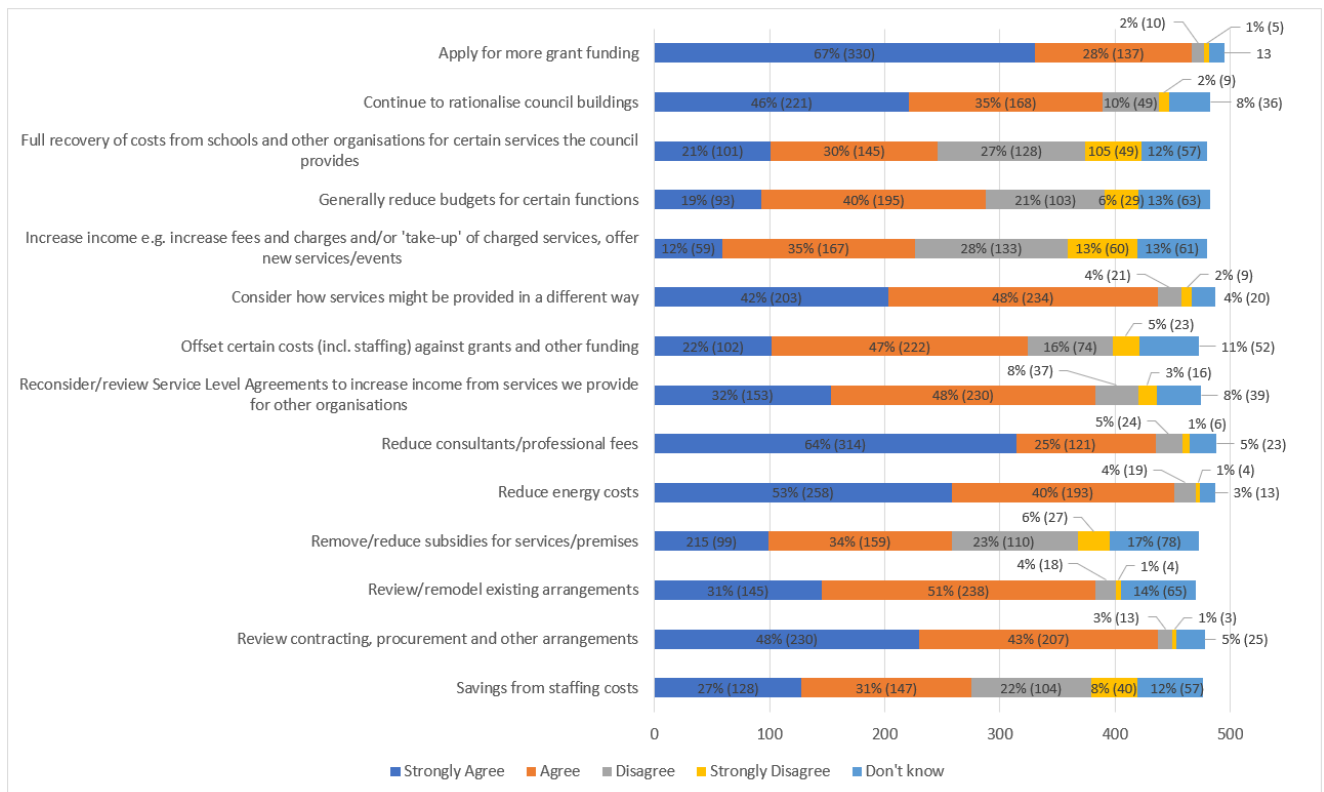
Responses classified as 'other comments' included mentions of concerns the money will run out leading to Council Tax increases; comments that Social

Appendix 8 – Summary of consultation responses

Services money shouldn't be used to balance the budget; comments about perceived poor management by the council.

- 3.6 [Approaches aimed at minimising the impact on service delivery and council tax payers](#) - more than 80 savings and income generation proposals (with an estimated value of £8.2m) were included in the Cabinet Report of 20 December, 2023. These reflect a number of approaches aimed at minimising the impact on service delivery and council tax payers.

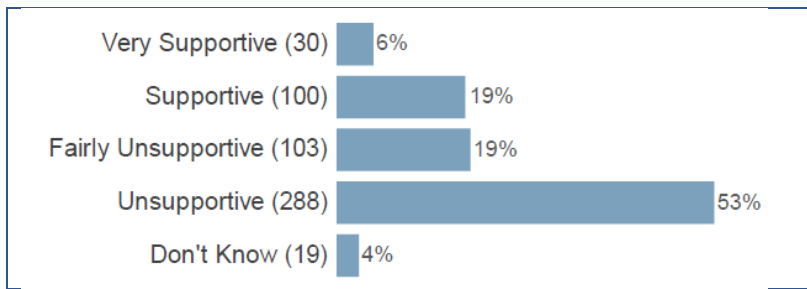
Respondents were asked how strongly they feel that the council should pursue these approaches. Responses were as follows:



- 3.7 [Council Tax](#) – Respondents were asked how supportive they would be of a Council Tax rise to help protect/avoid cuts to services provided by the council. Responses were as follows:

Base: All respondents who answered Q6: *How supportive would you be of a Council Tax rise to help protect/avoid cuts to services provided by the council?* (540)

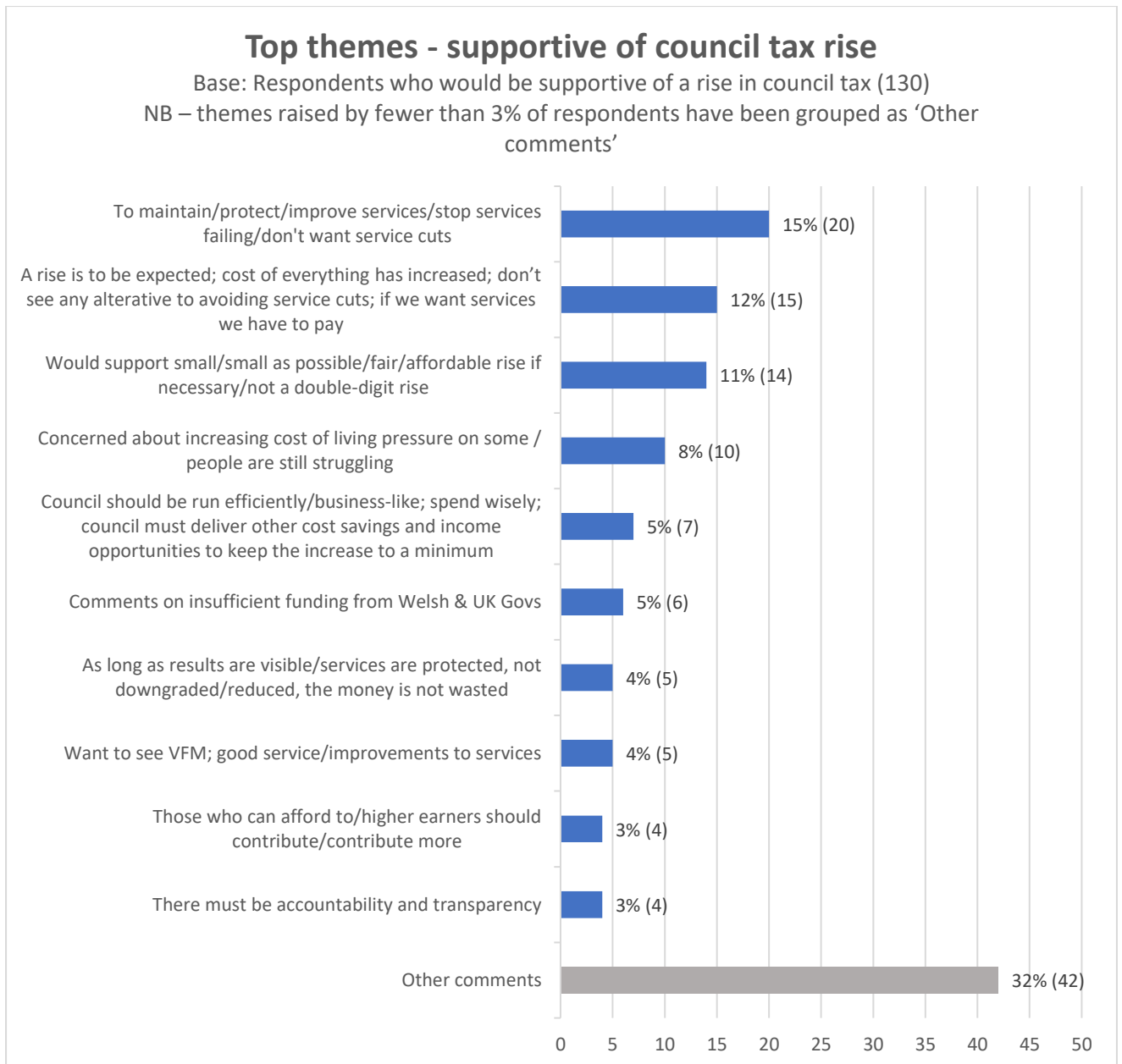
Appendix 8 – Summary of consultation responses



Consultation Themes – Council Tax

Supportive: of the 130 respondents who indicated they would be “supportive” or “very supportive”, 90 (69%) gave reasons for their response. The following chart summarises the main themes (*nb. some respondents raised issues relating to more than one theme so the total number of themes exceeds the number of respondents*):

Appendix 8 – Summary of consultation responses

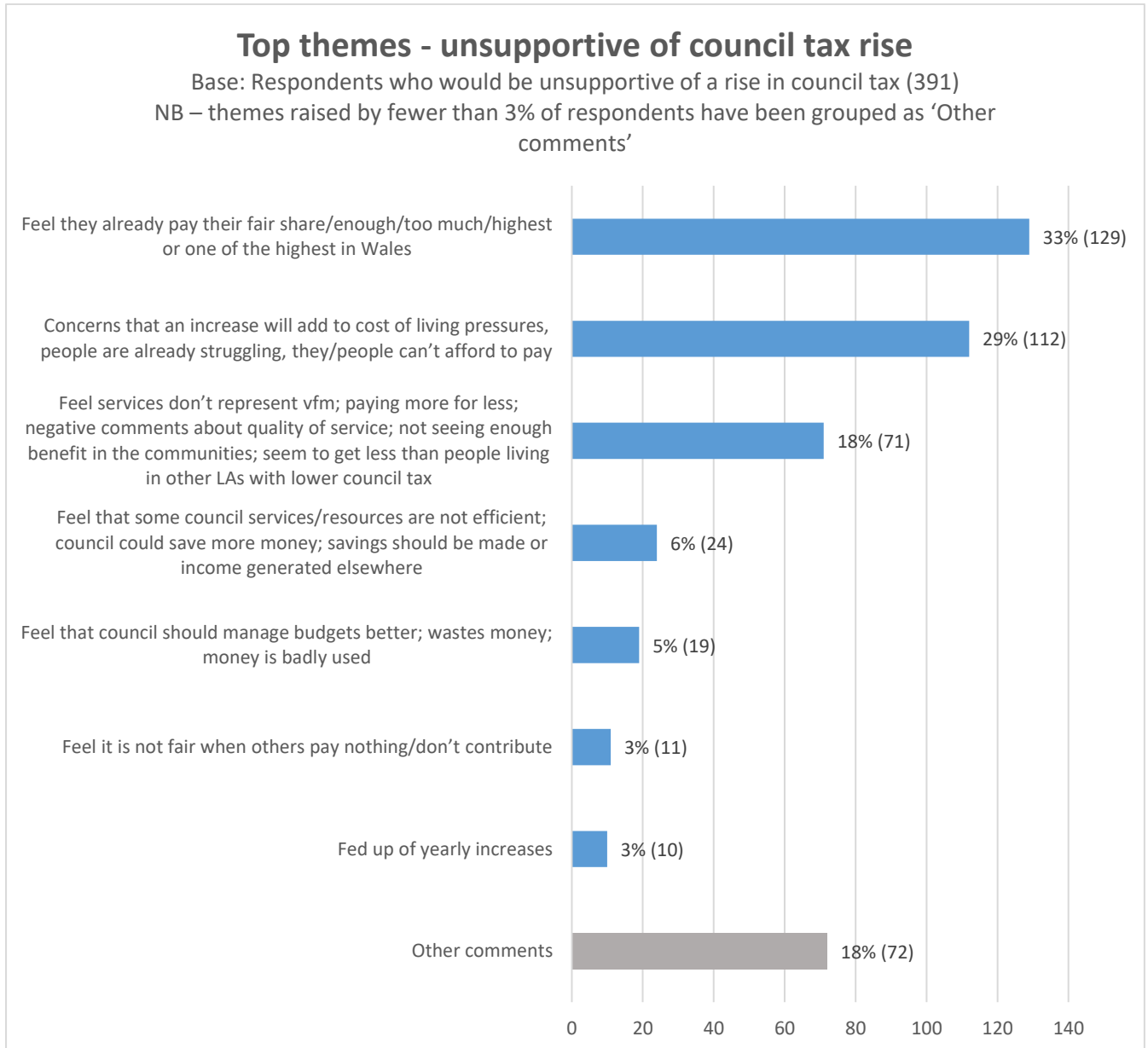


There were **10** themes mentioned by 3% or more of respondents who indicated that they would be supportive of a Council Tax rise to help protect/avoid cuts to services.

Responses classified as 'other comments' included mentions of council tax in NPT already being high/one of the highest; the view that cutting services causes lasting damage; feeling that any rise in council tax should only match or be at maximum the rate of inflation.

Unsupportive: of the 391 respondents who indicated they would be "unsupportive" or "fairly unsupportive", 289 (74%) gave reasons for their response. The following chart summarises the main themes (*nb. some respondents raised issues relating to more than one theme so the total number of themes exceeds the number of respondents*):

Appendix 8 – Summary of consultation responses



There were **7** themes mentioned by between 3% and 33% of respondents who indicated that they would be unsupportive or fairly unsupportive of a Council Tax rise to help protect/avoid cuts to services.

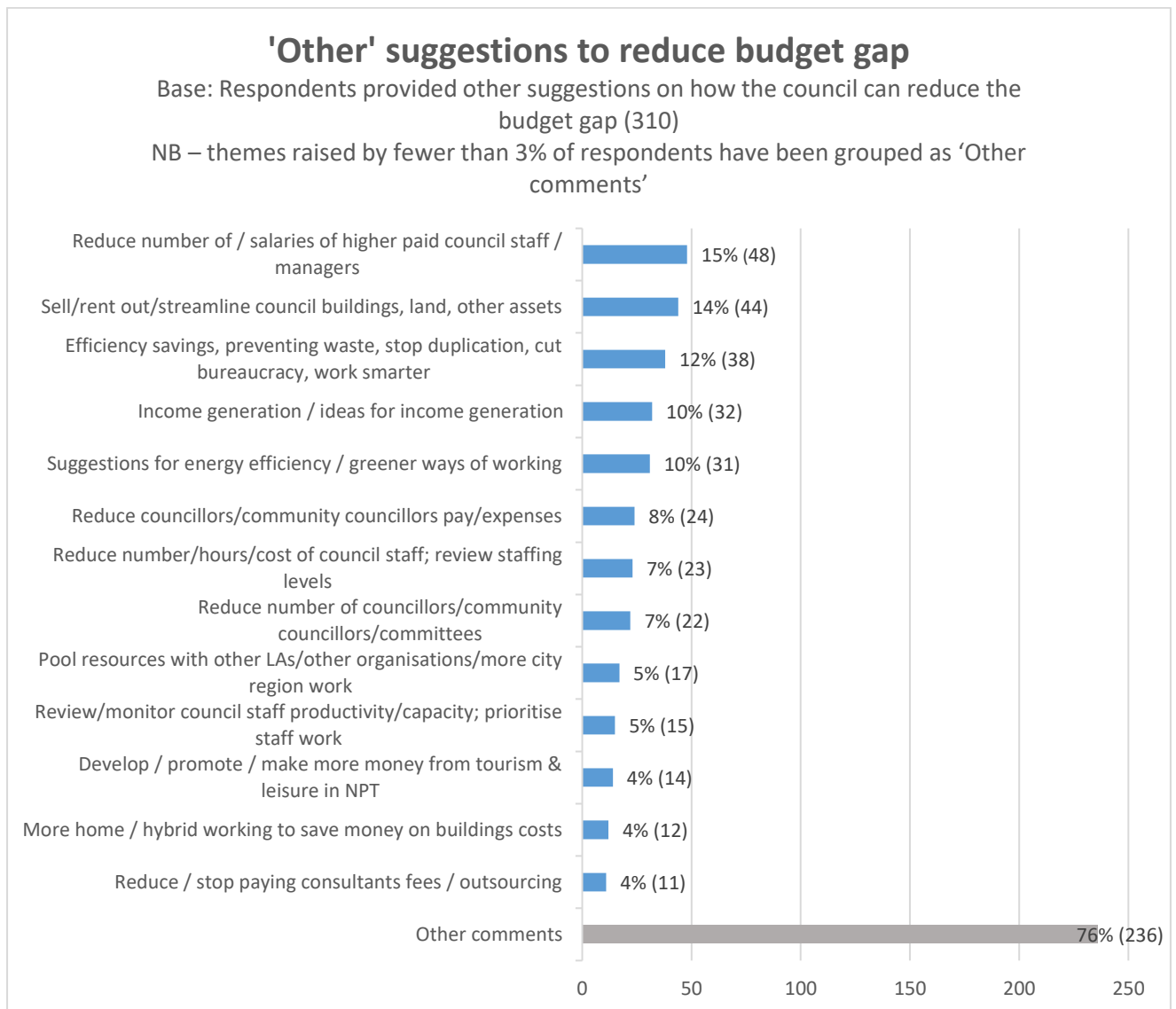
Responses classified as ‘other comments’ included mentions of respondents being unsupportive of the council running/funding/bringing leisure services back in-house or feel that those who don't use the services shouldn't have to pay for them; suggestions that the council should cut staff/councillors wages bill instead; comments that any additional income must be spent on essentials/used wisely/not wasted.

Appendix 8 – Summary of consultation responses

3.8 [Other suggestions](#) – Respondents were asked if they have any other suggestions on how the council can reduce the budget gap. The main themes were as follows:

Key themes – Other suggestions on how the council can reduce the budget gap

310 (56%) of respondents provided other suggestions on how the council can reduce the budget gap. The following chart summarises the main themes (*nb. some respondents raised issues relating to more than one theme so the total number of themes exceeds the number of respondents*):



There were **13** themes mentioned by 3% or more of respondents who gave other suggestions on how the council can reduce the budget gap.

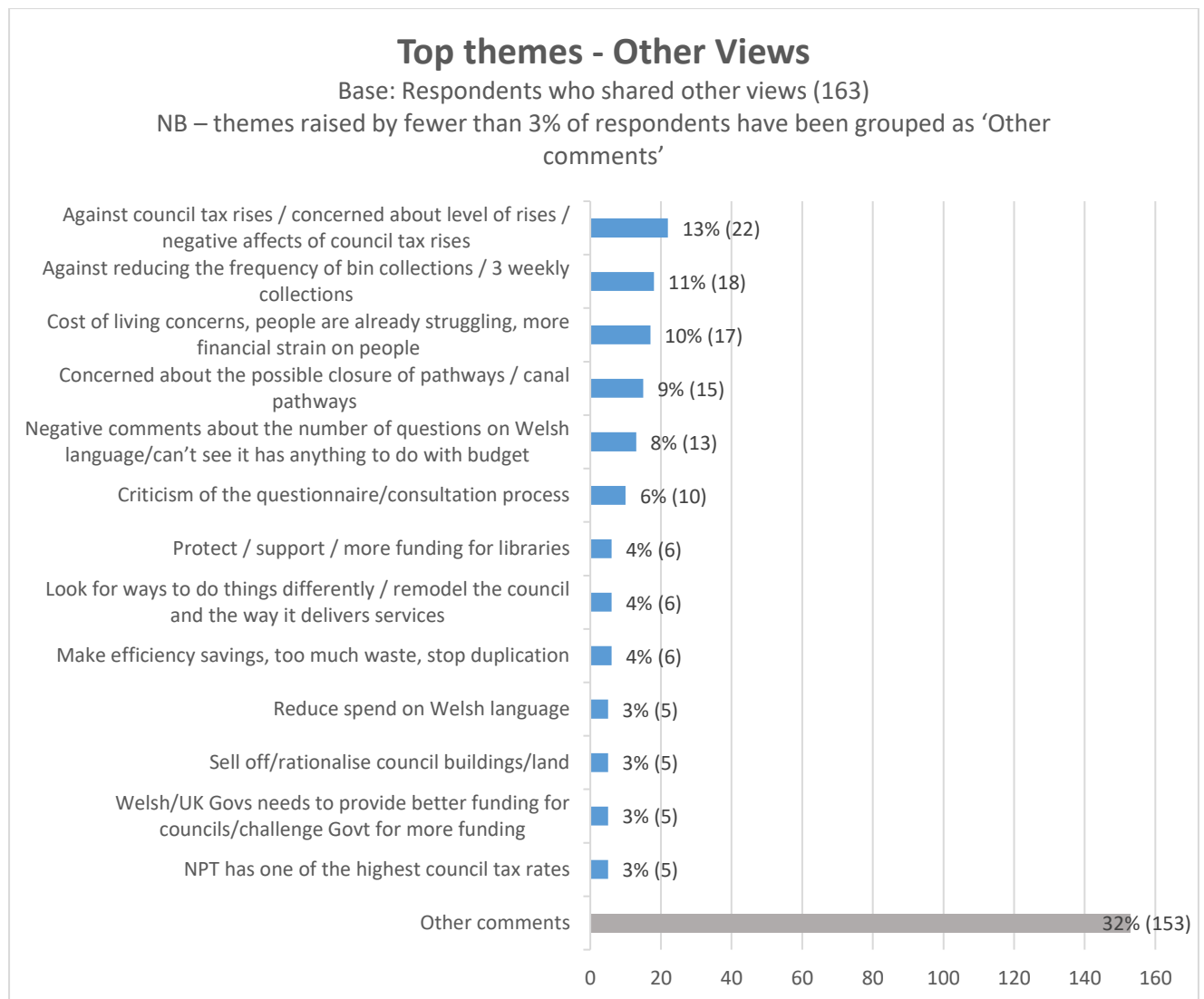
Responses classified as 'other comments' included mentions of suggestions to get rid of position of mayors(s)/formal events/cars; comments against funding leisure or views that other things should take priority over leisure;

Appendix 8 – Summary of consultation responses

views that spend should be prioritised for important things / services people use most / statutory services rather than “big developments”; perception that some people “abuse the system” / don’t contribute.

3.9 [Other views on the draft budget proposals for 2024-25](#) – Respondents were asked if they have any other views on our Draft Budget 2024-25 proposals that they would like to share?

163 (29%) respondents took the opportunity to share other views on our Draft Budget proposals for 2024-25. The following chart summarises the main themes (*nb. some respondents raised issues relating to more than one theme so the total number of themes exceeds the number of respondents*):



There were **13** themes mentioned by 3% or more of respondents who gave views on the draft budget proposals for 2024-25.

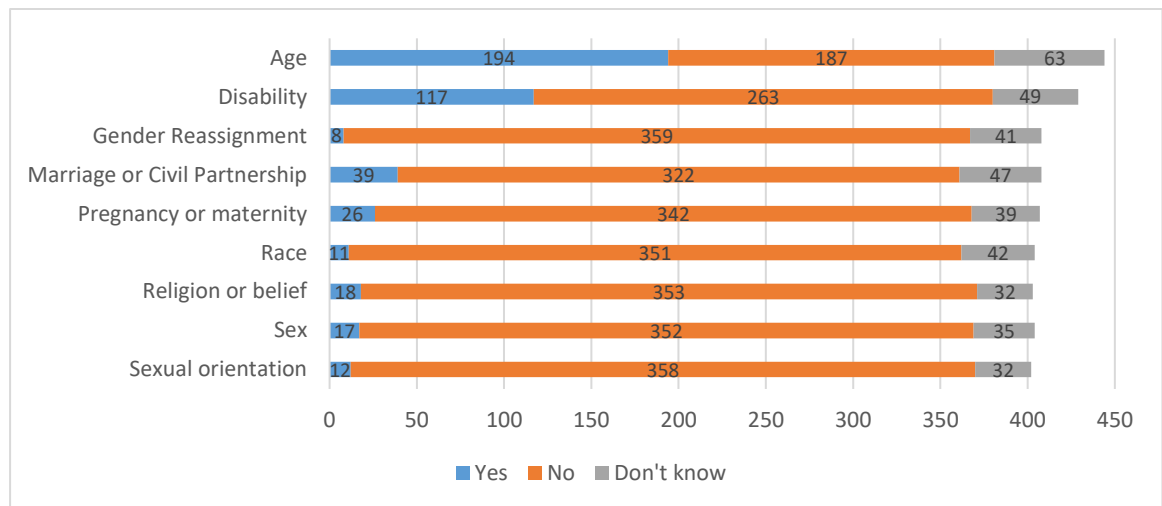
Appendix 8 – Summary of consultation responses

Responses classified as ‘other comments’ included mentions of energy efficiency/ sustainable energy measures / green energy suggestions; a need for funding/ investment in Neath; suggestions to cut down on council staff numbers/costs/pay; develop/promote/make more money from tourism and leisure in NPT; reduce the number of/pay for managers and senior staff; invest in/encourage more businesses/shops into town centres; perception that decisions are already made.

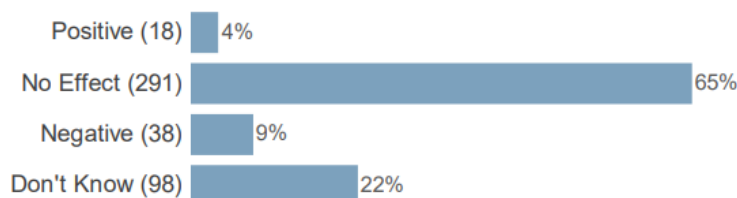
4.0 Questions to inform the Integrated Impact Assessment

4.1 Respondents were asked a series of additional questions to help inform the Integrated impact assessment. These were as follows:

Would our Draft Budget 2024-25 proposals have an impact on you and/or your family because of your and/or their:

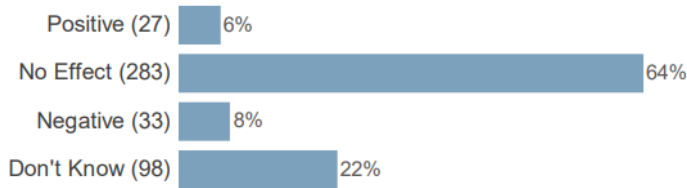


What effect do you think our Draft Budget 2024-25 proposals will have on people's opportunities to use the Welsh Language?



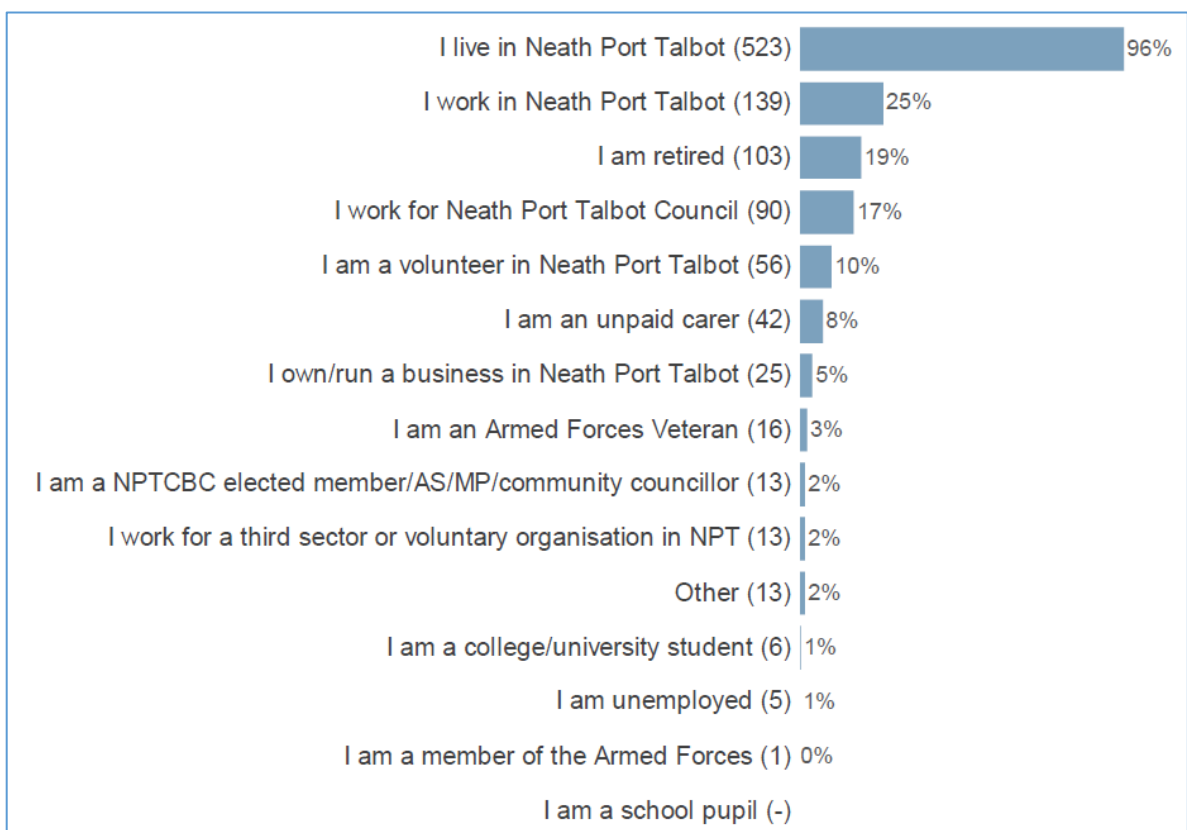
What effect do you think our Draft Budget 2024-25 proposals will have on treating the Welsh language no less favourably than the English language?

Appendix 8 – Summary of consultation responses



4.2 [About the respondents](#)

Respondents were asked to describe themselves from a series of statements (*n.b. for this question respondents were asked to select all of the categories that applied to them, some selected more than one answer, therefore the number of responses is greater than the total number of respondents*):



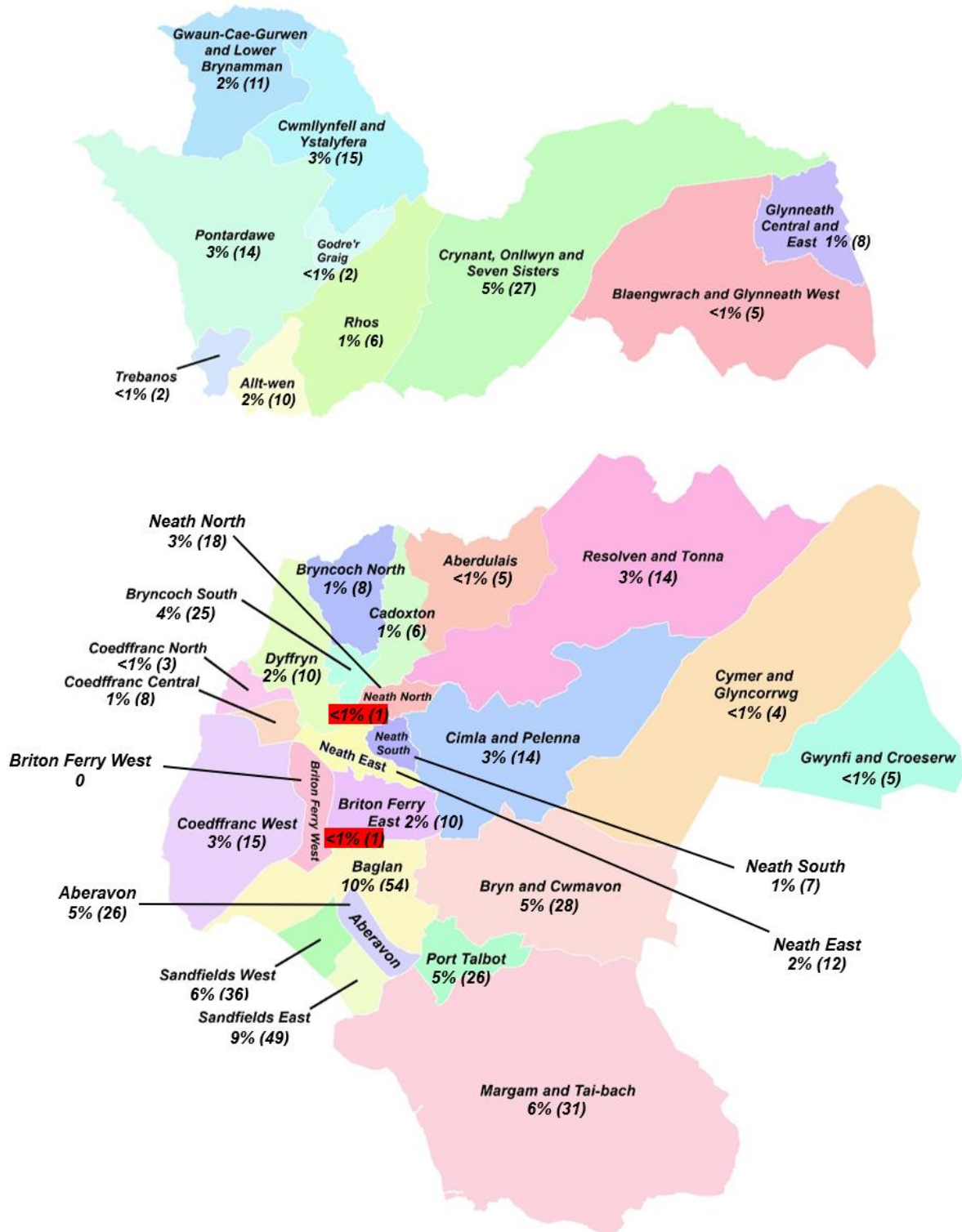
Respondents by ward:

The geographical spread of respondents is outlined on the ward map below. Please note that:

- 3% (17) of respondents chose not to provide their postcode
- 2% (13) of the postcodes provided were outside of NPT

Appendix 8 – Summary of consultation responses

- 1% (5) of respondents provided a partial or invalid postcode
- 1% (5) of respondents provided a postcode for their place of work
- Less than 1% (2) of respondents provided postcodes for streets that span 2 electoral wards – these are for Briton Ferry East/West and Neath East/South and are highlighted in red on the map.

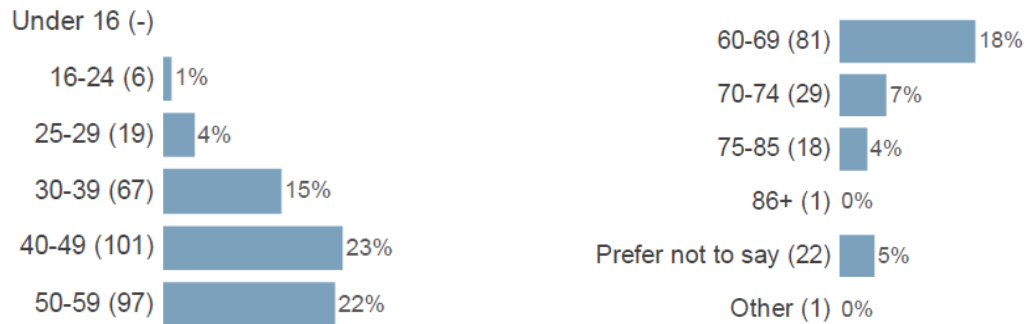


The percentages are rounded to the nearest whole number. Base = the total number of respondents (556)

Appendix 8 – Summary of consultation responses

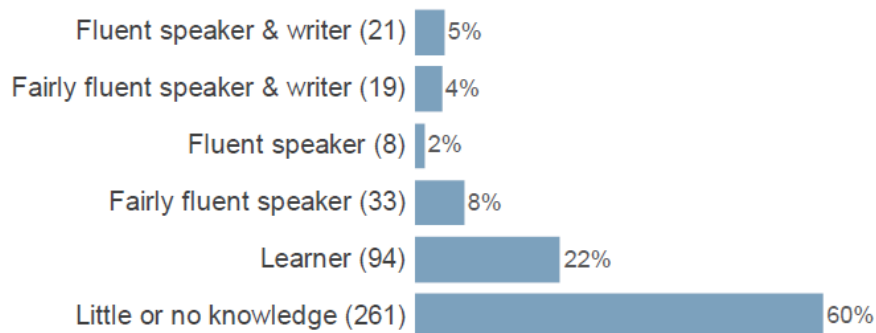
The age profile of respondents was as follows:

(Base 442)



When asked about their level of fluency in Welsh, responses were as follows:

(Base 436)



Respondents were also asked if they were pregnant or on maternity leave:

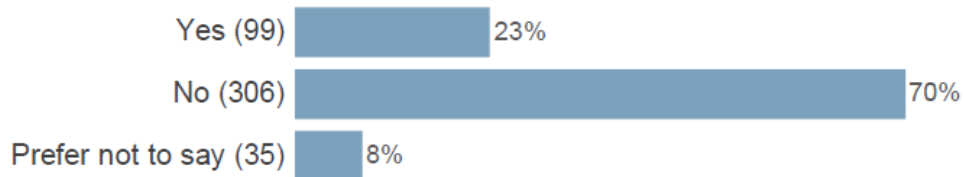
(Base 436)



The response to whether respondents considered themselves to have a disability was as follows:

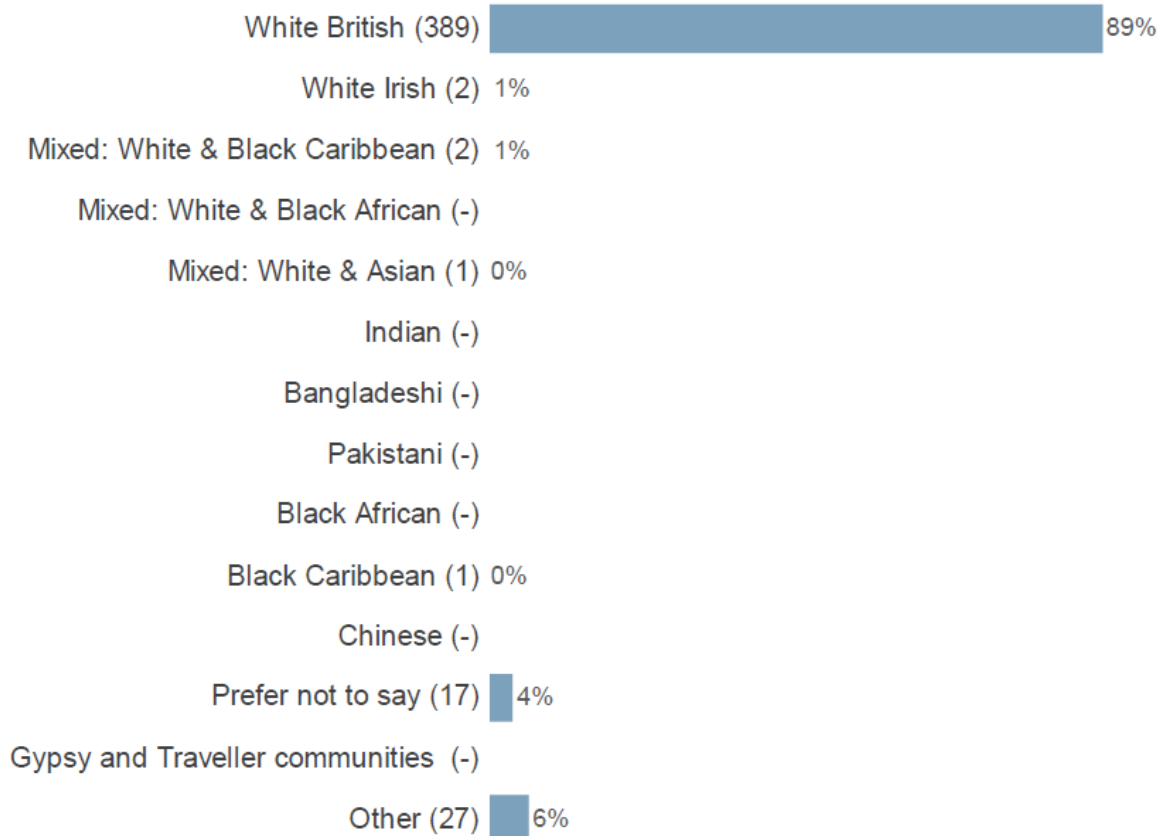
(Base 440)

Appendix 8 – Summary of consultation responses



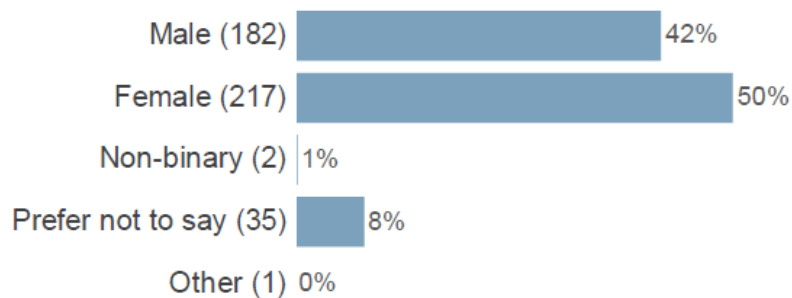
Respondents were asked to indicate their ethnic origin:

(Base 439)



The breakdown in terms of gender of respondents was:

(Base 437)



Appendix 8 – Summary of consultation responses

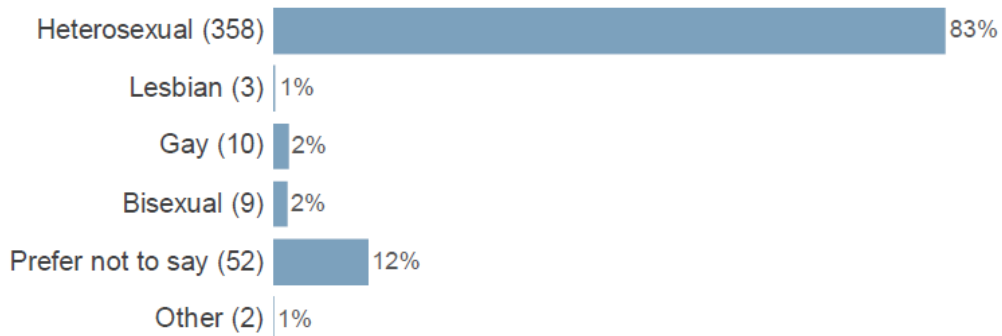
Respondents were asked to indicate whether their gender is the same as the sex they were registered at birth?

(Base 418)



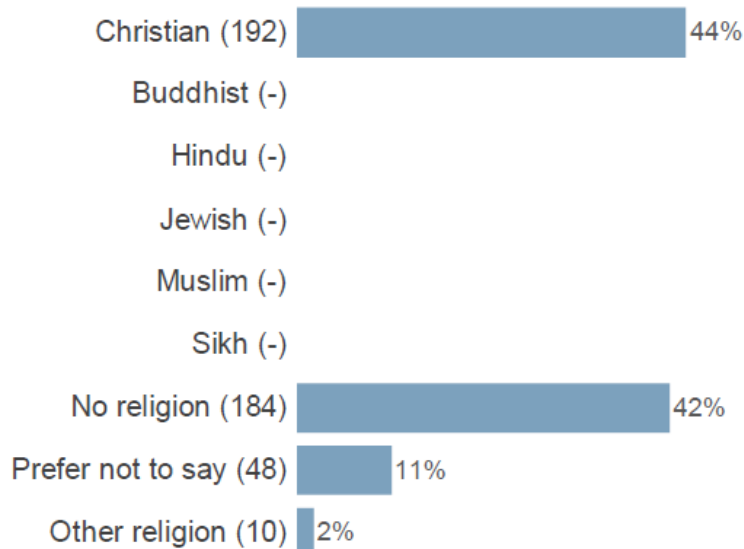
When asked about sexual orientation, responses were as follows:

(Base 434)



Respondents were asked to indicate their religion / belief:

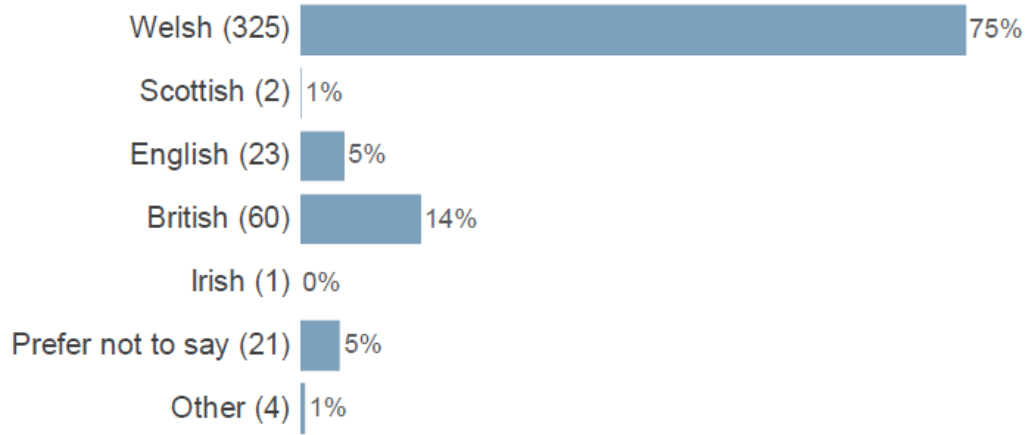
(Base 434)



Finally, in terms of nationality, respondents indicated the following:

(Base 436)

Appendix 8 – Summary of consultation responses



This Integrated Impact Assessment considers the duties and requirements of the following legislation in order to inform and ensure effective decision making and compliance:

- **Equality Act 2010**
- **Welsh Language Standards (No.1) Regulations 2015**
- **Well-being of Future Generations (Wales) Act 2015**
- **Environment (Wales) Act 2016**

1. Details of the initiative

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| | |
|-----------|---|
| | Title of the Initiative: Final budget proposals 2024/25 |
| 1a | Service Area: Services as identified across the directorates |
| 1b | Directorate: All |
| 1c | <p>Summary of the initiative:</p> <p>This Integrated Impact Assessment relates to the Council’s budget proposals for 2024/25.</p> <p>The Final Budget proposals include:</p> <ul style="list-style-type: none"> ➤ Investment of £4.7m in additional service pressures over and above cost increases arising as a result of inflationary pressures. ➤ Savings of £8.8m with minimal impacts on service levels ➤ An increase in Council tax of 7.9% ➤ A proposed increase to a range of fees and charges |

Appendix 9 – Integrated Impact Assessment

| | |
|------------------|---|
| | <p>The Council is legally required to produce a balance budget. In setting its budget the Council utilises funding received via the financial settlement from the Welsh Government including share of Non Domestic Rates, additional grants for specific service areas along with income from council tax.</p> |
| <p>1d</p> | <p>Who will be directly affected by this initiative?</p> <p>Residents and future residents of Neath Port Talbot, users of Council services, the Council’s directly employed workforce, the workforces and owners/trustees of organisations who are commissioned to operate services on the Council’s behalf through contracts for service, grants or other partnership arrangements, partners, funders and trade union representatives.</p> |
| <p>1e</p> | <p>When and how were people consulted?</p> <p>The Council undertook a number of engagement activities as part of its process in drawing up the draft revenue budget proposals. The engagement activities provided an early opportunity for a wide range of stakeholders to feed ideas into the budget process and to shape the overall strategy. Activities included: an all-Member seminar and a number of briefing sessions. Members of the Cabinet also held a number of engagement sessions across the County Borough to explain the financial position the Council is facing to residents.</p> <p>Separate consultation exercises were conducted on proposals to remodel adult social care; homelessness and to modify street lighting. These are subject of separate Integrated Impact Assessment reports and have/are being reported separately to the relevant cabinet boards.</p> |

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| | |
|-----------|--|
| | <p>Over the summer of 2023, the Council initiated a Let’s Keep Talking exercise to canvas views from a wide range of residents about what matters to them. This engagement helped to shape proposals at a formative stage before more detailed testing of specific proposals in the budget process itself.</p> <p>The Cabinet considered the draft revenue budget for 2024/25 at its December 2023 meeting and authorised formal public consultation between 20th December 2023 and 10th January 2024.</p> <p>A separate budget consultation report is included with this report and that summarises the consultation activities, responses received and main themes emerging.</p> |
| <p>1f</p> | <p>What were the outcomes of the consultation?</p> <p>Key objectives – there was broad agreement to the four key objectives contained within the budget strategy.</p> <p>Council Tax – 23% (130) indicated that they would be supportive or very supportive of a council tax increase to meet rising costs, with comments around increased costs needed to be paid for somehow. There was also an acknowledgement that increasing council tax would protect jobs and services. 72% (391) of responses were unsupportive of a council tax rise of up to 10%, with the main themes being expressing concerns around adding to the existing cost-of-living pressures and views that resident of the county borough are already paying a high level of council tax.</p> <p>Use of Reserves to fund Social Services - There was broad agreement that specific reserves should be used to fund social services costs with a view to implementing longer term cost saving measures.</p> <p><u>Changes to original proposals</u></p> <p>Council Tax – The final proposal around council tax is a proposed rise of 7.9% made up of:</p> |

1.24% to fund the increased fire service levy
2.00% to fund the increased cost of running indoor leisure services
4.66% to fund all other Council services.

Street lighting

The proposal to switch off some street lighting columns at night has been withdrawn from the Budget proposals. Further consideration of the proposal to switch off lighting columns will be undertaken in 2024-25, in particular the need to reassure residents.

Termination of Neath Canal public access rights agreement

This proposal has been withdrawn as the legal process will take longer than initially advised.

Full cost recovery of primary school cleaning

This proposal is now being phased over a three year period to mitigate the impact on schools.

2. Evidence

What evidence was used in assessing the initiative?

Service areas collect and more importantly utilise data on service users as part of the ongoing development and delivery of individual services. In addition to the number of people using the service other relevant information relating to protected characteristics and Welsh language etc., is also collected which in turn informs policy development and service provision.

In terms of inflation, factors built into budget assumptions were drawn from published government reports, the Institute for Fiscal Studies analyses and by benchmarking with other local authorities.

Service pressures were developed from service activity data.

A number of separate consultations were carried out in addition to the budget consultation namely:

- A public consultation in relation to the proposals to trim, dim and part switch off street lights
- A public consultation on housing and homelessness strategic plan
- A public consultation on a draft adult social care strategy

Responses from talking to people about what matters to them through the council’s Let’s Keep Talking engagement campaign were also considered in relation to the budget setting process.

The budget public consultation questionnaire specifically asked respondents to comment on how the budget proposals would impact on them and/or their family in relation to any protected characteristic(s), as well as

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their views on whether the proposals would impact on people's opportunities to use the Welsh Language or on treating the Welsh language no less favourably than the English language.

3. Equalities

a) How does the initiative impact on people who share a protected characteristic?

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| Protected Characteristic | Why will it have this impact? |
|--|---|
| Age Disability Gender reassignment Marriage & civil partnership Pregnancy and maternity Race Religion or belief Sex | <p>The questionnaire used during the public consultation specifically asked respondents to indicate whether they felt the draft Budget 2024/25 proposals would have an impact on them and/or their family because of any of the 9 protected characteristics set out in the Equality Act 2010.</p> <p>Of those that responded, the numbers that indicated that the proposals would have an impact were as follows:</p> <ul style="list-style-type: none"> • Age – 44% (194) - 69 indicated that they were between 16 and 59, and 105 were between 60 – 86+. Concerns about increases in costs/council tax when people are already struggling due to the cost-of-living crisis were a theme across all age groups. One of the main themes raised by older respondents were that any increases in costs/council tax would adversely impact on them |

| | |
|---------------------------|---|
| <p>Sexual orientation</p> | <p>as they are living on a pension. Some people in the older age groups also raised concerns about a perceived threat of closure for the canal path, there were also concerns about cuts to services, comments that some older people can't access online services; lack of public transport and the potential for social isolation.</p> <ul style="list-style-type: none"> • Disability – 27% (117). The main themes in the reasons for the responses to this included concerns about any increase in council tax; comments that costs are higher for households/families with members who have disabilities; the need to protect social services for the future; concerns about limited income or limited opportunities to earn because of disability; concerns about increases in costs/council tax when people are already struggling due to the cost of living crisis; concerns about a perceived threat of closure for the canal path and the impact of this on the ability to exercise; some respondents had children with Additional Learning Needs and were concerned about the potential impact of budget challenges on the ability of the council to provide appropriate support; comments about the need for accessible transport; concerns about poor services in health care. • Gender reassignment – 2% (8). There was 1 reason given for the responses relating to gender reassignment. This was the concern that the council will be implementing “<i>sexist anti-female policies</i>” • Marriage & civil partnership – 10% (39). There were 3 reasons given for the responses relating to Marriage & civil partnership. These related to pressure on relationships because of additional financial burdens; and having to delay |
|---------------------------|---|

| | |
|--|--|
| | <p>getting married because of financial pressures</p> <ul style="list-style-type: none"> • Pregnancy and maternity – 6% (26). 7 respondents gave for their responses relating to pregnancy and maternity. These included pregnant women being forced to go back to work early because of financial pressures; putting off having children because of the cost-of-living; concerns about finances because of new or expected babies; the view that pregnant adults are more vulnerable and reliant on services. • Race – 3% (11) of respondents said the draft budget proposals would impact them or their family because of race, but none of the respondents provided reasons for their response. • Religion or belief – 5% (18). One respondent expressed the belief that Christmas should be recognised as a celebration of the birth of Christ and not just any old public holiday. • Sex – 4% (17). There was 1 reason given for the responses relating to gender reassignment. This was the concern that the council will be implementing <i>“sexist anti-female policies”</i> • Sexual orientation – 3% (12). There was 1 reason given for the responses relating to gender reassignment. This was the concern that the council will be implementing <i>“sexist anti-female policies”</i> <p>The percentages for responses to the closed questions on each of the key proposals from people who identified with any of the protected characteristics were compared to</p> |
|--|--|

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those of all respondents. The purpose was to identify whether the proposals might disproportionately affect these groups. Any noteworthy variations are outlined below:

- proposal for a council tax rise next year:
23% (130) of all respondents were supportive or very supportive of this proposal. Of those who provided their age, the older age groups were more likely to be supportive/very supportive of this proposal – the 70-74; 75-85 and 86+ groups were the only groups where the numbers of people supportive of a council tax increase was higher than those who were unsupportive:

| Council tax supportive / very supportive | Council tax unsupportive: |
|---|----------------------------------|
| 70-74 = 57% (16) | 70-74 = 43% (12) |
| 75-85 = 56% (10) | 75-85 = 44% (8) |
| 86+ = 100% (1) | |

All other age groups were more likely to be unsupportive / fairly unsupportive of the proposal, especially those falling into the 30-69 years age groups:

| Council tax supportive / very supportive | Council tax unsupportive: |
|---|----------------------------------|
| 16-24 = 40% (2) | 16-24 = 60% (3) |
| 25-29 = 6% (1) | 25-29 = 94% (16) |
| 30-39 = 15% (9) | 30-39 = 85% (53) |
| 40-49 = 19% (19) | 40-49 = 81% (81) |

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| | |
|------------------|------------------|
| 50-59 = 27% (24) | 50-59 = 73% (66) |
| 60-69 = 37% (28) | 60-69 = 63% (48) |

One of the respondents who was pregnant or on maternity leave was supportive of this proposal, 1 didn't know and 6 were unsupportive. Slightly more male respondents 32% (56) agreed/strongly agreed with this proposal than Female respondents 26% (52).

- Proposal to use £6.8 million from specific reserves to address funding pressures in Social Services and help balance the budget in 2024-25:
68% of all respondents who answered this question agreed or strongly agreed. This is mirrored by respondents who consider themselves to have a disability, also at 68% for those who agreed.
404 people who responded to this question indicated their age. The age groups most inclined to agree with this proposal were the 30-39 = 9% (37); 40-49 = 16% (66); 50-59 = 18% (71); and 60-69 = 14% (55).

What action will be taken to improve positive or mitigate negative impacts?

The budget mitigates the impact of the Welsh Government Settlement of 3% which is below the estimated increase in costs – consequently it protects investment for children and young people as it increases budget provision for schools by 4.3% plus an additional £1.4m from reserves to help secondary schools deal with attendance issues. Funding for Social Services, Housing and Community Safety has increased by £8.1m or 7.7% plus £6m from specific reserves to help deliver longer term savings strategies.

An increase in funding for other Education Leisure and Lifelong Learning Services will help to protect services to vulnerable families and children through the provision of additional support for learners as well as funding increased capacity following the roll out of the Additional Learning Needs Legislation.

The draft proposal on the Termination of Neath Canal public access rights agreement has been withdrawn as the legal process will take longer than initially advised

Investment in children’s and adult social services will continue to support people with learning disabilities and general provision towards care package costs. This investment will improve service provision to children and the elderly. Any specific changes to services will be the subject of separate impact assessments.

The activities supported by the social services and housing investment proposals will be monitored by a transformation board to ensure they are delivering on the proposed outcomes.

The council will continue to promote and raise awareness of Council Tax Support for those on a low income.

b) How will the initiative assist or inhibit the ability to meet the Public Sector Equality Duty?

| Public Sector Equality Duty (PSED) | Why will it have this impact? |
|--|--|
| <p>To eliminate discrimination, harassment and victimisation</p> <p>To advance equality of opportunity between different groups</p> <p>To foster good relations between different groups</p> | <p>The budget objectives include maintaining a focus on recovery from Covid and supporting communities through the cost-of-living crisis.</p> <p>Evidence from national reports compiled by the Welsh Government through the Public Health Wales service identify a widening of inequality/inequity over the pandemic period and more recent publications by the Bevan Foundation and the Joseph Rowntree Foundation show that poverty is further deepening as a result of the cost-of-living crisis. People who share a protected characteristic are particularly impacted.</p> |

| What action will be taken to improve positive or mitigate negative impacts? |
|--|
| <p>The budget seeks to maintain services in 2024/25 and to maintain security of employment to the maximum extent possible. The budget increases education and social services budgets beyond the funding provided by Welsh Government recognising that more people are seeking additional help from these services at the present time.</p> <p>The budget recognises the continuing pressure on housing services, particularly those that are targeted to people who are homeless and the need to find more move-on accommodation and support.</p> |

There will continue to be close monitoring of homelessness services and also the services provided to those seeking asylum or who are refugees.

4. Community Cohesion/Social Exclusion/Poverty

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| | Why will it have this impact? |
|---|---|
| Community Cohesion | There is a sustained oversight of homelessness provision including a remodelling of the housing options service to deliver longer term solutions to the issue of homelessness. |
| Social Exclusion | See above |
| Poverty | Evidence from national reports compiled by the Welsh Government through the Public Health Wales service identify a widening of inequality/inequity over the pandemic period and more recent publications by the Bevan Foundation and the Joseph Rowntree Foundation show that poverty is further deepening as a result of the cost of living crisis. People who share a protected characteristic are particularly impacted. |
| What action will be taken to improve positive or mitigate negative impacts? | |

Two posts have been established (funded by Shared Prosperity Funding) to champion and promote the council’s tackling poverty agenda. The posts will lead on the development of the council’s policy response to poverty issues and the cost-of-living crisis. The Council also continues to make funding available through Warm Wales to its residents to aid with the cost of living, particularly energy costs and benefits take-up.

The Public Services Board has adopted the Council’s wellbeing objectives and has established a partnership to address cost of living and poverty. Additional work in 2024/25 proposed by the Council includes the continuation of increased welfare benefits activity, supporting those affected by debt, continuing to signpost people to help and support available within the community, continuing to administer grants to Third Sector organisations who are supporting food banks, period dignity and other similar matters.

Officers will continue to gather intelligence through the community and partner agencies to identify where the Council can take additional action to help those continuing to be impacted by covid and the cost of living.

5. Welsh

| | + | - | +/- | Why will it have this effect? |
|--|---|---|-----|--|
| What effect does the initiative have on: – people’s opportunities to use the Welsh language | | ✓ | | The Council currently has relatively small numbers of staff with Welsh language skills. Opportunities for staff to use their language skills will continue to be promoted and training will continue to be made available. During the consultation the questionnaire asked respondents to indicate what effect they think the Draft Budget 2024/25 proposals will |

| | | | |
|--|--|--|---|
| | | | <p>have on people's opportunities to use the Welsh Language (positive and/or adverse). Of those that responded to this question, the majority (65%/291) thought they would have no effect, 4% (18) thought they would have a positive effect, 9% (38) thought they would have a negative effect and 22% (98) didn't know.</p> <p>Of those who though they would have a positive effect, the reasons included:</p> <ul style="list-style-type: none"> • The importance of keeping the Welsh language and culture alive • Welsh Language should be a positive and encouraged. • The need for more Welsh speakers. • The view that if more funding is given towards sectors which help children and adults e.g. homelessness, learning Welsh would help them get a job. <p>Of those who though they would have a negative effect, the reasons included:</p> <ul style="list-style-type: none"> • the Welsh language must be a priority. • The view that it will affect people's ability to learn Welsh if cuts were made • Concerns that plans to recover full costs from schools would negatively affect their budgets and their ability to deliver the curriculum, including Welsh classes, and extracurricular Welsh activities • The view that learning Welsh isn't high enough in the council's priorities. |
|--|--|--|---|

Appendix 9 – Integrated Impact Assessment

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|--|---|--|---|
| | | | <ul style="list-style-type: none"> Comments that there are “Very few Welsh speakers locally” and “money best spent on care etc.” |
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen91</p> <p>- treating the Welsh and English languages equally</p> | ✓ | | <p>The Council is committed to the principles as embodied in the Welsh Language Measure (2015) and the standards in particular will continue so that the Welsh language is treated no less favourably than the English language.</p> <p>The budget provides a further increase in funding for a new starter Welsh Medium Primary School, supporting the objectives set out in the Welsh in Education Strategic Plan</p> <p>During the consultation the questionnaire asked respondents to indicate what effect they think the Draft Budget 2024-25 proposals will have on treating the Welsh language no less favourably than the English language. Of those that responded to this question, the majority (64%/283) thought they would have no effect, 6% (27) thought they would have a positive effect, 8% (33) thought they would have a negative effect and 22% (98) didn't know.</p> <p>Of those who though they would have a positive effect, the reasons included:</p> <ul style="list-style-type: none"> Language rights should be met and supported <p>Of those who though they would have a negative effect, the reasons included:</p> <ul style="list-style-type: none"> Efforts to increase Welsh usage will cost money. |

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| | | | <ul style="list-style-type: none"> • Welsh language services tend to be seen as desirable rather than essential • The Welsh Government has cut its funding for the Welsh Language this year, so further cuts would only do further damage to the language |
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 92</p> <p>Developing or revising the draft budget proposals in relation to the Welsh language.</p> | | | <p>During the consultation, respondents were asked a number of questions on how the proposals could be developed or revised in relation to the Welsh language:</p> <ul style="list-style-type: none"> • In your opinion, what positive effects would our Draft Budget 2024-25 proposals have on people's opportunities to use the Welsh language? Comments included: <ul style="list-style-type: none"> ○ Speaking your Mother Tongue at any opportunity has to be positive ○ Motivation to use the Welsh language is a personal thing ○ cuts to funding are always going to reduce provision and opportunities to use Welsh • In your opinion, what positive effects would our Draft Budget 2024-25 proposals have on treating the Welsh language no less favourably than the English language? Comments included: <ul style="list-style-type: none"> ○ As a strategy is already in place treat both languages equally, then the positive effects remain the same ○ The Welsh Language should never be treated less favourably than the English |

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| | | | <ul style="list-style-type: none"> ○ This is statutory so it should be protected ● In your opinion, what adverse effects would our Draft Budget 2024-25 proposals have on people’s opportunities to use the Welsh language? Comments included: <ul style="list-style-type: none"> ○ More free Welsh lessons for all to embrace the language ○ Reducing funding to schools and other services would increase their financial burden and adversely affect their ability to develop and deliver Welsh language opportunities. ○ Fewer staff who speak Welsh maybe because of the costs associated with Welsh learning courses ● In your opinion, what adverse effects would our Draft Budget 2024-25 proposals have on treating the Welsh language no less favourably than the English language? Comments included: <ul style="list-style-type: none"> ○ Is there a separate budget for Welsh language training and development for staff of NPT to increase Welsh speakers ○ Non-Welsh speaking people’ might think it’s all a waste of money/there may be more calls to get rid of more and more Welsh things ○ Budget reductions could affect the ability of services to translate public facing documentation etc. ● How do you think the draft budget proposals could be developed or revised so that they would have positive effects, or more positive effects on people’s opportunities to use the Welsh language? Comments included: |
|--|--|--|--|

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| | | | <ul style="list-style-type: none"> ○ Suggestions that AI chat tools could be used to reduce translation times and give people the chance to access services in Welsh. ○ Make the pages of the council website completely Welsh ○ Provision of budgets to each service to cover the costs of Welsh translations ○ Suggestions for communities of practice to be created, a directory of those who can provide services through Welsh in the county, a Welsh contact point in each key department that can connect with each other <ul style="list-style-type: none"> ● How do you think the draft budget proposals could be developed or revised so that they would have positive effects, or more positive effects on treating the Welsh language no less favourably than the English language? Comments included: <ul style="list-style-type: none"> ○ Ensure that someone will be available by phone if a caller wants to communicate in Welsh. ○ There may be grants available to pay for training etc. for employees to learn the language and to promote the language in the workplace and society ○ Education on attitudes to the Welsh language for everyone <p>How do you think the draft budget proposals could be developed or revised so that they would not have adverse effects, or would have less adverse effects on people’s opportunities to use the Welsh language? Comments included:</p> |
|--|--|--|---|

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| | | | | <ul style="list-style-type: none"> ○ Search for relevant grants and make use of cheap courses available to increase the number of staff who can speak Welsh. ○ Maybe even call for Welsh speaking volunteers to help in some way which can therefore save money ○ establish partnerships with charities or groups such as Menter Iaith ○ identify key individuals who could contribute to Welsh language activity in communities <ul style="list-style-type: none"> ● How do you think the draft budget proposals could be developed or revised so that they would not have adverse effects, or would have less adverse effects on treating the Welsh language no less favourably than the English language? Comments included: <ul style="list-style-type: none"> ○ there are lots of Welsh people or people who have learned the language who might be prepared to volunteer ○ Unless Welsh is spoken more generally in our communities, and supported by an early learning programme in infant, junior and comprehensive education, it won't make any difference ○ We need to prioritise. Arts, language etc are not a priority. Education and housing is a priority ○ The principles of bilingualism and fair play must always be adhered to. |
|--|--|--|--|---|

What action will be taken to improve positive or mitigate negative impacts?

Officers will monitor the implementation of the proposals.

The council published it's revised Welsh Language Promotion Strategy in 2023. By working with local organisations, our schools and residents of our many communities we are confident that we will meet the commitments laid out in the strategy to increase the number of Welsh speakers in Neath Port Talbot; Increase the use of Welsh; and create favourable conditions (in terms of infrastructure and context).

Our Welsh in Education Strategic Plan 2022-2032 details how we plan to support and further develop Welsh language education in schools and in our wider communities and how we plan for future growth.

The original proposal for full cost recovery of primary school cleaning is now being phased over a three year period to mitigate the impact on schools.

6. Biodiversity

How will the initiative assist or inhibit the ability to meet the **Biodiversity Duty**?

| Biodiversity Duty | + | - | +/- | Why will it have this impact? |
|-------------------|---|---|-----|-------------------------------|
|-------------------|---|---|-----|-------------------------------|

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|--|--|--|--|---|
| To maintain and enhance biodiversity | | | | Unknown. There is no clear route to demonstrate either positive or negative impact on biodiversity. |
| To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc. | | | | Unknown. |

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|--|
| What action will be taken to improve positive or mitigate negative impacts? |
| Future impacts assessment will benefit from the biodiversity service assessments which are currently being undertaken to help determine what, if any, impacts service areas have on biodiversity. The assessments will help inform where services areas will be required to undertake specific assessments when appropriate to determine the extent and any mitigating actions of future changes to service/policy, etc. as part of delivery of the Biodiversity Duty Plan |

7. Wellbeing of Future Generations

How have the five ways of working been applied in the development of the initiative?

| Ways of Working | Details |
|---|--|
| <p>i. Long term – looking at least 10 years (and up to 25 years) ahead</p> | <p>The Council’s Corporate Plan takes a long term view, backed up by short and medium term proposals. Work has commenced on developing a medium term financial plan to cover the period 2024-2029 which is fully aligned with the Corporate Plan. The MTFP highlights that there is a significant financial gap between the estimated funding available and the cost of running Council services over that period. Work will continue during 2024/25 financial year in relation to closing this budget gap which will include further invest to save proposals aimed at meeting the needs of our community through different approaches. The budget recognises the need to grow the economy which is seen as fundamental to improving the wellbeing of future generations.</p> |
| <p>ii. Prevention – preventing problems occurring or getting worse</p> | <p>Proposals increase investment in early intervention and prevention programmes, particularly in social care and housing. The budget also provides £1.4m time limited funding to target support for attendance in our secondary schools, whilst also protecting a wide range of other services that support wellbeing eg indoor leisure services; library services etc</p> <p>The budget strategy seeks to provide stability over 2024/25 for the Council to continue its recovery from Covid and to support residents impacted by the cost of living crisis.</p> |
| <p>iii. Collaboration – working with other</p> | <p>Pre-consultation engagement activities enabled a range of stakeholders to shape the budget strategy from an early point. Additionally the NPT PSB has adopted the Council’s wellbeing objectives enabling a close alignment between the Council’s own work and the work of the partnership to be achieved.</p> |

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|--|--|
| services internal or external | The Council will work with partners and the wider community as the budget is implemented |
| iv. Involvement – involving people, ensuring they reflect the diversity of the population | The consultation was communicated as widely as possible given the short window within which we could consult and a significant amount of pre-consultation engagement has taken place. |
| v. Integration – making connections to maximise contribution to: Council’s wellbeing objectives | <p>The financial settlement and the specific grants that underpin Council services are key to the delivery of the Council’s wellbeing objectives thereby having a positive impact.</p> <p>The proposals will help ensure the business of the Council is managed to maximise the long term benefit for the citizens of Neath Port Talbot (the crosscutting objective relating to governance and resources).</p> |
| Other public bodies objectives | It is possible to demonstrate the alignment between the Council’s Corporate Plan, the Public Services Board Plan and other key planning arrangements which will ensure a more holistic approach to improving outcomes over the lifetime of all plans. |

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9. Monitoring Arrangements

Provide information on the monitoring arrangements to:

Monitor the impact of the initiative on Equalities, Community Cohesion, the Welsh Measure, Biodiversity Duty and the Wellbeing Objectives.

Officers will monitor the response to the proposals. The achievement of the budget will be set out in revenue budget monitoring reports throughout the year which will be submitted to Cabinet and the scrutiny committees on a regular basis.

10. Assessment Conclusions

Please provide details of the conclusions reached in relation to each element of the assessment:

| | Conclusion |
|--------------|--|
| Equalities | The budget protects those services that support people who share protected characteristics by providing an increase above the level provided by Welsh Government. Additional funding for young people of £1.4 million is provided to help those struggling to re-engage with their learning. |
| Welsh | The budget proposals do not include any reductions in staff numbers so there should be limited impact on the Welsh language. Opportunities remain for staff to use their language skills will and further training will be made available and promoted. The budget provides investment for the Welsh Medium Starter School |
| Biodiversity | There is no clear route to demonstrate either positive or negative impact on biodiversity or the resilience of ecosystems however the budget does provide capacity to attract additional funding that can extend active travel routes. |

| | |
|--|--|
| <p>Wellbeing of Future Generations Act</p> | <p>The Council has worked hard to strike the right balance in its budget proposals for 2024/25 including the use of £6m from reserves to deliver long term strategic change programmes in adult social care and the homelessness service.</p> <p>There is a strong emphasis on growing the economy and a clear commitment to strengthening the Council’s work in responding to the nature and climate emergencies.</p> |
|--|--|

Overall Conclusion

| |
|--|
| <p>The budget seeks to:</p> <ul style="list-style-type: none"> • Enable the Council to continue to deliver its Corporate Plan • Enable the Council to engage with investors • Deliver local and WG policy priorities • Sustain the Council <p>The budget seeks to maintain essential services and to protect employment to the maximum extent possible whilst limiting the burden on council tax payers and users of services.</p> |
|--|

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11. Actions

What actions are required in relation to obtaining further data/information, to reduce or remove negative impacts or improve positive impacts?

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| Action | Who will be responsible for seeing it is done? | When will it be done by? | How will we know we have achieved our objective? |
|---|--|--|--|
| Undertake public consultation on draft budget proposals | Chief Finance Officer | Between 21 st December 2023 and 10 th January 2024 | <ul style="list-style-type: none"> • Consultation responses received |
| Consider consultation responses and amend proposals where appropriate | Senior Management Teams | During and at the conclusion of the consultation | <ul style="list-style-type: none"> • Revised budget report, including any proposed amendments, for consideration at Cabinet, Cabinet Scrutiny and Council |
| Present final budget proposals to Cabinet | Corporate Directors Team | 6 th March 2024 | <ul style="list-style-type: none"> • Approval of a budget for 2024/25 |
| Present final proposals to Council | Cabinet | 7 th March 2024 | <ul style="list-style-type: none"> • Approval of the budget and the setting of the Council Tax |
| Monitor the achievement of the budget | Corporate Directors Team | Quarterly through 2024/25 | <ul style="list-style-type: none"> • Expenditure contained within cash limits |

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Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

6th March 2024

REPORT OF THE CHIEF FINANCE OFFICER

H.- JONES

MATTER FOR DECISION

WARDS AFFECTED: ALL

CAPITAL STRATEGY AND CAPITAL PROGRAMME 2024/25 TO 2026/27

Purpose of report

The purpose of this report is to set out the Capital Strategy and Capital Programme for 2024/25 to 2026/27.

Capital Strategy

The Capital Strategy sets out the Capital Programme planning process, governance and financial sustainability considerations. It also needs to be read in conjunction with the Council's Treasury Management Policy and helps to determine the amount of capital investment built into the Council's budget. The Council's Capital Strategy appears in Appendix 1 of this report.

Updated Capital Programme for 2023/24

The original Capital Programme totalled £118.053m, the updated programme for 2023/24 currently stands at £45.285m with the major variations having been reported to Cabinet and Council as part of the ongoing budget monitoring arrangements.

The reduction from £118.053m to £45.285m represents a significant reduction in the value of planned investment during the year. As

mentioned in the paragraph above, the main variations have been reported as part of the quarterly budget monitoring cycles however these are summarised below along with the reasons.

Members will note that in the vast majority of cases these delays are outside the control of the Council:

| Main changes to original budget | £'000 |
|--|--------------|
| Removal of Swansea Valley school proposal following Cabinet decision not to progress with existing proposal. | -20,998 |
| City Deal – South Wales Industrial Transition from Carbon Hub (SWITCH) building. Delay to the procurement process. The successful contractor was announced on 2nd May 2023 with a 12 month design process commencing immediately. Design and specification works now in progress. Funding carried forward to 2024/25 and 2025/26. | -13,750 |
| City Deal – Advanced manufacturing production facility. Land acquisition issues resulted in project delay. Funding carried forward to 2024/25 and 2025/26. | -10,500 |
| City Deal – Homes as Power Stations. The Financials Incentives Fund payments are subsequent to the completion of schemes and not on approval of funding as originally profiled. The first round of the fund has been finalised supporting 16 schemes across the region. Funding carried forward to 2024/25 and 2025/26. | -4,725 |
| Levelling up fund – Vale of Neath Corridor and the Gnoll Country Park. Amendments made to the project at Gnoll Park which extended the planning stage. Ongoing land acquisition issues at Vale of Neath Corridor. Funding carried forward to 2024/25. | -9,687 |
| Match Funding & Feasibility for WG & UK Government Funding Streams. Spend dependant on grants received. Budget will be used to match fund any future projects that come to fruition. | -3,293 |

| | |
|---|----------------|
| Funding carried forward to 2025/26. | |
| Waste Fleet Relocation Works. Delay to the start of the main contract. | -3,200 |
| Funding carried forward to 2024/25. | |
| Vehicle Replacement Programme. Awaiting outcome of transport fleet review which impacted expenditure. | -2,379 |
| Neath Transport Hub. Site relocation issues, works ongoing around this. | -2,192 |
| Total | -70,724 |

Welsh Government Capital Settlement 2024/25

The total Provisional Capital Settlement on an all Wales basis has increased from £946.455m to £962.342m on a like for like basis; with amounts still to be confirmed for a small number of grants in the Finance and Local Government, Climate Change, Arts Sports & Tourism and Economy portfolios. The Un-hypothecated base budget of the Capital Settlement for All Wales has remained at £180.000m.

Neath Port Talbot – General Capital Funding

The amount of funding included in the 2024/25 settlement is £8.950m with £4.535m paid as a capital grant and the remaining £4.415m treated as supported borrowing with an allowance included in the revenue settlement to pay for the debt charges.

In addition to the funding provided by the WG the Council also budgets for the use of £1.3m per annum to underpin the Capital Programme being made available via capital receipts arising from the sale of council assets.

The Council has also built into its 2024/25 revenue budget funding to support £2.75m of prudential borrowing recognising the importance of continued capital investment within the County Borough.

The following table sets out the amount of funding available to the Council to distribute to capital projects.

Projected Capital Programme Funding to underpin the NPT Capital Programme

| | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 |
|--------------------------------|------------------|------------------|------------------|------------------|
| WG Base Funding | 8,971 | 8,950 | 8,950 | 8,950 |
| Capital Receipts | 1,300 | 1,300 | 1,300 | 1,300 |
| Prudential Borrowing | 4,000 | 2,750 | 2,750 | 2,750 |
| Total Available Funding | 14,271 | 13,000 | 13,000 | 13,000 |

The table below sets out the distribution of the above mentioned funding to service areas:

| Service | 2023/24 £'000 | 2024/25 '000 | 2025/26 £'000 | 2026/27 £'000 |
|---|--------------------------|-------------------------|--------------------------|--------------------------|
| Education | 1,100 | 1,100 | 1,100 | 1,100 |
| Schools ICT – HWB Grant | 250 | 250 | 250 | 250 |
| Sustainability | | | | |
| Leisure | 150 | 150 | 150 | 150 |
| Highways and Engineering Maintenance | 1,625 | 1,625 | 1,625 | 1,625 |
| Environment Street scene Improvements | 500 | 500 | 500 | 500 |
| Highways and Engineering Maintenance – Completion of 2022/23 Programme of Works | 200 | 0 | 0 | 0 |
| Additional major engineering works | 1,000 | 0 | 0 | 0 |
| Match funding for grants (including flood prevention) | 500 | 500 | 500 | 500 |
| Neighbourhood Improvements | 150 | 150 | 150 | 150 |
| Pavilions | 100 | 100 | 100 | 100 |
| Regeneration | 2,275 | 2,275 | 2,275 | 2,275 |
| Disability Access | 150 | 150 | 150 | 150 |
| Health & Safety | 850 | 850 | 850 | 850 |
| Social Services | 150 | 150 | 150 | 150 |
| Disabled Facilities Grants | 3,000 | 3,000 | 3,000 | 3,000 |

| Service | 2023/24 £'000 | 2024/25 '000 | 2025/26 £'000 | 2026/27 £'000 |
|--|--------------------------|-------------------------|--------------------------|--------------------------|
| Catch Up, Clean Up, Green Up / Public realm improvements | 750 | 750 | 750 | 750 |
| Decarbonisation Strategy (DARE) including Electric Vehicle Charging Stations | 250 | 38 | 250 | 250 |
| Income Generation Proposals | 250 | 250 | 250 | 250 |
| Contingency | 1,021 | 1,162 | 950 | 950 |
| Total | 14,271 | 13,000 | 13,000 | 13,000 |

The current budget allocations to Education, Leisure and Social Services provide important investment to maintain buildings infrastructure including roofs, heating, lighting etc. The investment in Highways and Neighbourhood improvements will maintain transport, bridges and other structures.

The programme includes an extension of the current 'Catch up, clean up, green up / public realm improvement programme' with a further £750k allocated per annum.

Delegation arrangements

Individual project allocations for the following service areas will be made under existing delegation arrangements i.e. by the relevant Corporate Director in conjunction with the Director of Environment and Regeneration.

- Education
- Leisure
- Pavilions
- Health and Safety
- Social Services

In relation to the Highways and Engineering works programme and Catch up, Clean Up, Green up programme it is proposed that individual projects should be agreed at the relevant Cabinet Board.

Additional Capital Funding

In addition to the funding provided by WG the Council's capital programme is supplemented by projects funded from other sources which include:

Prudential Borrowing

The Council only enters into prudential borrowing arrangements when it can demonstrate that it is prudent, sustainable and affordable to do so. In order to minimise the revenue costs associated with prudential borrowing the Council will look to first utilise other available sources of funding such as capital receipts.

Specific Grants

Funding provided for specific projects from various sources such as Welsh Government Departmental Budgets, Heritage Lottery fund etc. As is the nature of this type of funding there is less availability and certainty for the latter years of the Capital Programme.

Other sources

Various other smaller sources including specific reserves, private sector investment etc.

Major Investment Initiatives

The following paragraphs detail some of the major investment initiatives being delivered across the County Borough.

County Borough Regeneration

The Council continues to invest significantly in regeneration projects across the County Borough. For example, the next phase of the re-development of the former Crown Foods Site has commenced in 2023/24.

City Deal

The UK Government has approved Neath Port Talbot's Business Case 'Supporting Innovation and Low Carbon Growth' and Homes as Power Stations (HAPS).

The 'Supporting Innovation and Low Carbon Growth Programme totals £58.83m with £47.7m being contributed from the City Deal Grant. The balance of the funding is due from other public sector funding (£5.63m) and private sector funding (£5.5m).

The Homes as Power Stations Programme totals £505.5m with £15m being contributed from the City Deal Grant. The balance of the funding is due from other public sector funding (£114.6m) and private sector funding (£375.9m).

Appendix 2 of this report details the 8 projects that make up the City Deal programme.

Shared Prosperity Fund (SPF)

The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK Government's Levelling Up agenda. The fund provides funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.

The Councils SPF allocation is c£27m and is a mix of revenue and capital funding which aligns to a three year Investment Plan. The capital allocation is c£8.9m, details of the seven capital schemes are included in Appendix 2 of this report.

Levelling Up

The UKLUF is a UK wide competitive capital fund which will invest in infrastructure that improves everyday life across the UK.

The Fund is focused on 3 investment themes:

- Transport investments
- Regeneration and town centre investment
- Cultural investment

A brief outline of the schemes being delivered is set out below;

The LUF Vale of Neath Heritage Corridor Attractor Project will deliver transformational investment in visitor infrastructure at Gnoll Estate Country Park and Waterfall Country Pontneddfechan. The projects include investment in visitor infrastructure (such as car parking, EV charging, public toilets etc.), new visitor accommodation, public realm improvements and the safeguarding and interpretation of heritage assets.

Additional LUF bids were approved in late 2022 and these will provide for enhancements to the Port Talbot Princess Royal Theatre and related public realm as well as the refurbishment of Newbridge Road Bridge.

Impact of future developments and schemes

The capital programme as outlined in this report reflects known planned expenditure and financing. It is clear however that there are significant potential developments which are currently under consideration which may have a significant effect on the Council's capital programme and capital expenditure during the period covered by this report. There will be a requirement in future years to make specific financial provision in the Council's Revenue Budget and Capital Programme to fund such investments.

The capital programme is updated and approved as part of the quarterly budget monitoring process and any additional commitment approved by Council will be incorporated as approved.

Summary

The Council places great emphasis on the importance of capital investment as a means of regenerating our Communities and providing modern and safe buildings and infrastructure. Capital investment does not only lead to improved facilities and services but creates jobs and economic benefits for the citizens of Neath Port Talbot.

Members will note that the Council is investing £30.490m in 2024/25 and when additional external funding from City Deal, Levelling Up, the Shared Prosperity Fund and other sources are included it is projected that the total capital investment for 2024/25 is £79.548m.

The total capital budget over the next three years will be over £173m. Details of the individual projects being delivered can be found in Appendix 2 of this report.

Financial Impact

All financial impacts are detailed within the body of the report. Additional revenue and capital funding provision will need to be built into future years' budgets once project confirmation and external grant funding are confirmed.

Integrated Impact Assessment

This report does not require its own Integrated Impact Assessment (IIA). However, as individual projects are being developed, the requirement for individual IIA's will be considered and completed as necessary. The

Council will ensure that all capital investment is in line with legislation and best practice and aim to improve sustainability on our infrastructure.

Workforce Impacts

The capital funding meets the cost of a number of posts across the Council.

Legal Impacts

There are no legal impacts arising from this report.

Risk Management

Many of the works included in the capital programme alleviate/mitigate risks faced by the Council. The capital programme is seen as an important part of the Council's risk management processes. There are significant risks which may require a future revision of the capital programme. In particular due to:-

- Urgent capital maintenance requirements
- Additional costs arising from any additions to the capital programme
- Capital financing charges arising from additional unsupported borrowing which cannot be met from existing revenue budgets
- A reduction in the availability of external grants to supplement the Council's own funding of the capital programme
- Capacity to deliver the Capital Programme Projects

Consultation

There is no requirement under the Constitution for external consultation on this item.

Recommendations

It is recommended that Members commend to Council the approval of:

- The Capital Strategy.
- The Capital Programme for 2024/25 to 2026/27 as detailed in Appendix 2 to this report.

- The delegation arrangements as set out in this report

Reasons for proposed decision

To approve the Authority's Capital Programme in line with the Constitution.

Implementation of decision

The decision is proposed for implementation after consideration and approval by Council.

Appendices

Appendix 1 - Capital Strategy

Appendix 2 - Capital Programme 2024/25 to 2026/27.

List of background papers

Local Government Settlement 2024/25

Officer Contact

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Capital Strategy

Purpose of the Capital Strategy

The Capital Strategy is intended to provide a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services; an overview of how the associated risk is managed and the implications for future financial sustainability.

Capital Programme Planning Process

The Capital Programme is a key component in assisting the Council to deliver its four well-being objectives:

- All children get the best start in life;
- All communities are thriving and sustainable;
- Our local environment, culture and heritage can be enjoyed by future generations;
- Local people are skilled and access high quality, green jobs

In order to assist in delivering these objectives the Programme prioritises a number of key areas:

- Maintenance of existing capital assets. This work is prioritised using the various Asset and Risk Management Plans in place
- Regeneration of the County Borough. Great emphasis is placed on this area and the subsequent benefits investment brings in relation to the economy and jobs. The Capital Programme allocation is used as a means of leveraging in external funding in the form of grants and private sector investment to ensure maximum benefits to the citizens of the County Borough
- To facilitate service change and improvement
- Disabled Facilities Grants. These are seen as a key driver in ensuring that people can remain living in their own homes for as long as possible.

The Council does not enter into or incur capital expenditure funded by borrowing for purely commercial reasons i.e. with the sole intention of making a profit.

Governance Arrangements

Delivery of the Capital Programme is overseen by the Council's Capital Programme Steering Group (CPSG) under the chair of the Chief Finance Officer. The group consists of a number of Heads of Service and other Council officers and meets regularly to consider progress along with any emerging pressures. It is accountable to the Corporate Directors Group.

An updated version of the Capital Programme is formally approved by Cabinet and Council on a quarterly basis as part of the Council's budget monitoring and scrutiny arrangements.

Future Financial Sustainability

The revenue implications of Capital Spending plans are incorporated into the Council's Forward Financial Planning process. The cost of borrowing (principal and interest) to finance spending plans are calculated using prudent assumptions around interest rates to ensure they are affordable. Any revenue implications for Service's as a result of capital investment decisions are built into the Medium Term Financial Planning process as budget 'pressures'.

Capital Programme 2024/25 to 2026/27

| <u>Capital Programme - 2024/25 to 2026/27</u> | | | | | | | | | | | | | | | |
|---|------------------|---------------|---------------|-----------------|---------------|---------------|------------------|---------------|---------------|------------------|---------------|---------------|------------------|---------------|---------------|
| | Original 2023/24 | | | Revised 2023/24 | | | Original 2024/25 | | | Original 2025/26 | | | Original 2026/27 | | |
| | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | |
| | | NPT | External | | NPT | External | | NPT | External | | NPT | External | | NPT | External |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Service | | | | | | | | | | | | | | | |
| Education, Leisure and Lifelong Learning | 32,002 | 16,470 | 15,532 | 11,607 | 7,718 | 3,889 | 8,613 | 4,719 | 3,894 | 16,521 | 3,471 | 13,050 | 1,500 | 1,500 | 0 |
| Environment | 77,174 | 27,614 | 49,560 | 25,574 | 13,373 | 12,200 | 64,247 | 19,519 | 44,728 | 44,642 | 12,406 | 32,236 | 19,241 | 7,331 | 11,909 |
| Social Services, Health and Housing | 5,983 | 5,701 | 281 | 5,290 | 4,406 | 883 | 3,661 | 3,225 | 437 | 4,416 | 4,416 | 0 | 3,150 | 3,150 | 0 |
| Other Services | 1,874 | 1,874 | 0 | 1,603 | 1,572 | 31 | 1,815 | 1,815 | 0 | 1,540 | 1,540 | 0 | 1,540 | 1,540 | 0 |
| Contingency | 1,021 | 1,021 | 0 | 1,212 | 1,212 | 0 | 1,212 | 1,212 | 0 | 950 | 950 | 0 | 950 | 950 | 0 |
| Total | 118,053 | 52,680 | 65,373 | 45,285 | 28,282 | 17,003 | 79,548 | 30,489 | 49,058 | 68,070 | 22,784 | 45,286 | 26,381 | 14,471 | 11,909 |
| Funded by | | | | | | | | | | | | | | | |
| WG - General Capital Funding | 25,209 | 25,209 | | 16,230 | 16,230 | | 17,615 | 17,615 | | 12,916 | 12,916 | | 10,750 | 10,750 | |
| WG - Additional £5.010m General Funding | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Capital Receipts | 0 | 0 | | 475 | 475 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Prudential Borrowing | 22,536 | 22,536 | | 8,759 | 8,759 | | 10,228 | 10,228 | | 9,868 | 9,868 | | 3,721 | 3,721 | |
| Specific Reserves / Revenue | 4,934 | 4,934 | | 2,817 | 2,817 | | 2,648 | 2,648 | | 0 | 0 | | 0 | 0 | |
| External Grants/Contributions | 65,373 | | 65,373 | 17,003 | | 17,003 | 49,058 | | 49,058 | 45,286 | | 45,286 | 11,909 | | 11,909 |
| Total | 118,053 | 52,680 | 65,373 | 45,285 | 28,282 | 17,003 | 79,548 | 30,490 | 49,058 | 68,070 | 22,784 | 45,286 | 26,381 | 14,471 | 11,909 |

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Capital Programme 2024/25 to 2026/27

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| | Original 2023/24 | | | Revised 2023/24 | | | Original 2024/25 | | | Original 2025/26 | | | Original 2026/27 | | | |
|---|------------------|-----------|--------|-----------------|-----------|-------|------------------|-----------|----------|------------------|-----------|-----|------------------|-----------|-------|-----|
| | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | |
| | | £'000 | NPT | | External | £'000 | | NPT | External | | £'000 | NPT | | External | £'000 | NPT |
| Education, Leisure and Lifelong Learning | | | | | | | | | | | | | | | | |
| Capital Maintenance | 1,429 | 1,429 | | 915 | 915 | | 1,600 | 1,600 | | 1,100 | 1,100 | | 1,100 | 1,100 | | |
| Schools Core IT Infrastructure | 874 | 874 | | 102 | 102 | | 250 | 250 | | 250 | 250 | | 250 | 250 | | |
| Schools ICT - HWB Grant Sustainability | 0 | 0 | | 449 | 0 | 449 | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| Universal Primary Free School Meals | 1,555 | 1,555 | | 1,614 | 1,614 | | 932 | 932 | | 0 | 0 | | 0 | 0 | | |
| Capital Maintenance for Schools (previous year grants) | 3,400 | 3,400 | | 2,995 | 2,995 | | 0 | 0 | | 1,971 | 1,971 | | 0 | 0 | | |
| Community Focused Schools Capital Grant | 0 | 0 | | 60 | 0 | 60 | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| Community Focused Schools Hubs 1 to 4 | 0 | 0 | | 16 | 0 | 16 | 1,744 | 0 | 1,744 | 0 | 0 | | 0 | 0 | | |
| Supporting Learners with Additional Needs | 0 | 0 | | 1,386 | 0 | 1,386 | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| 21st Century Schools - Band B | | | | | | | | | | | | | | | | |
| Cefn Saeson Comprehensive | 0 | 0 | | 11 | 11 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| Abbey Primary | 50 | 50 | | 163 | 163 | | 380 | 380 | | 0 | 0 | | 0 | 0 | | |
| Ysgol Gymraeg Ystalyfera Bro Dur (North Campus) Final Phase | 0 | 0 | | 17 | 17 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| Ysgol Newydd Swansea Valley | 20,998 | 7,568 | 13,430 | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| Welsh Medium Provision | | | | | | | | | | | | | | | | |
| Classrooms and Childcare | | | | | | | | | | | | | | | | |
| Mynachlog Nedd | 0 | 0 | | 218 | 47 | 171 | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| YGG Trebannws | 0 | 0 | | 245 | 57 | 188 | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| Childcare Offer | | | | | | | | | | | | | | | | |
| Small Grant Pot - independent providers | 0 | 0 | | 410 | 0 | 410 | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| YGG Blaendulais | 917 | 0 | 917 | 100 | 0 | 100 | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| Cwmavon | 962 | 0 | 962 | 100 | 0 | 100 | 0 | 0 | | 0 | 0 | | 0 | 0 | | |

Capital Programme 2024/25 to 2026/27

| | Original 2023/24 | | | Revised 2023/24 | | | Original 2024/25 | | | Original 2025/26 | | | Original 2026/27 | | |
|---|------------------|---------------|---------------|-----------------|--------------|--------------|------------------|--------------|--------------|------------------|--------------|---------------|------------------|--------------|----------|
| | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | |
| | | NPT | External | | NPT | External | | NPT | External | | NPT | External | | NPT | External |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| YGG Rhosafan | 0 | 0 | | 100 | 0 | 100 | 1,850 | 0 | 1,850 | 13,050 | 0 | 13,050 | 0 | 0 | |
| Godre'rgraig Primary School - Demountable Units | 0 | 0 | | 475 | 475 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Leisure Investment | 283 | 283 | | 267 | 267 | | 172 | 172 | | 150 | 150 | | 150 | 150 | |
| Margam Park Improvement Works | 0 | 0 | | 0 | 0 | | 55 | 55 | | 0 | 0 | | 0 | 0 | |
| Margam Park Stonework Repair | 228 | 228 | | 852 | 328 | 524 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Dyfed Road Site Clearance | 0 | 0 | | 650 | 650 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Pontardawe Arts Centre Cinema | 1,306 | 1,083 | 223 | 301 | 1 | 300 | 1,589 | 1,289 | 300 | 0 | 0 | | 0 | 0 | |
| ELLL Other | 0 | 0 | | 160 | 75 | 85 | 40 | 40 | | 0 | 0 | | 0 | 0 | |
| Total | 32,002 | 16,470 | 15,532 | 11,607 | 7,718 | 3,889 | 8,613 | 4,719 | 3,894 | 16,521 | 3,471 | 13,050 | 1,500 | 1,500 | 0 |

Capital Programme 2024/25 to 2026/27

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| | Original 2023/24 | | | Revised 2023/24 | | | Original 2024/25 | | | Original 2025/26 | | | Original 2026/27 | | |
|--|------------------|-----------|----------|-----------------|-----------|----------|------------------|-----------|----------|------------------|-----------|----------|------------------|-----------|----------|
| | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | |
| | | NPT | External | | NPT | External | | NPT | External | | NPT | External | | NPT | External |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Environment | | | | | | | | | | | | | | | |
| Highways and Engineering Maintenance | 2,128 | 2,128 | | 2,496 | 2,496 | | 2,011 | 2,011 | | 1,625 | 1,625 | | 1,625 | 1,625 | |
| Environment - Streetscene Works | 890 | 890 | | 343 | 343 | | 694 | 694 | | 500 | 500 | | 500 | 500 | |
| Additional Highway Improvements - Water Street | 0 | 0 | | 37 | 37 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Additional Highway Works (various locations) | 83 | 83 | | 23 | 23 | | 83 | 83 | | 0 | 0 | | 0 | 0 | |
| Additional major engineering works (subject to business cases - Norton Terrace, Bevans Terrace, Tonmawr Gabions) | 1,186 | 1,186 | | 260 | 260 | | 949 | 949 | | 0 | 0 | | 0 | 0 | |
| Covid Recovery - Catch Up, Clean Up, Green Up Capital Works | 4,162 | 4,162 | | 2,672 | 2,672 | | 2,274 | 2,274 | | 750 | 750 | | 750 | 750 | |
| Decarbonisation Strategy (DARE) | 250 | 236 | 14 | 0 | 0 | | 213 | 213 | | 250 | 250 | | 250 | 250 | |
| Electric Vehicle Charging Facility | 1,017 | 1,017 | | 944 | 944 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Covid Recovery | 380 | 380 | | 224 | 224 | | 197 | 197 | | 0 | 0 | | 0 | 0 | |
| Drainage Grants | | | | | | | | | | | | | | | |
| Caenant Terrace & Grandison Brook | 0 | 0 | | 505 | 0 | 505 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Small Scale Fairyland House & 105 Cilmaengwyn | 0 | 0 | | 110 | 17 | 94 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Cryddan Brook & Stanley Place | 0 | 0 | | 113 | 0 | 113 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Rock Street Construction | 0 | 0 | | 1,739 | 261 | 1,479 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Natural Flood Management Scheme Llantwit and Gnoll | 0 | 0 | | 108 | 0 | 108 | 70 | 0 | 70 | 0 | 0 | | 0 | 0 | |
| Stanley Place FAS | 0 | 0 | | 119 | 0 | 119 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Match funding for grants (including flood prevention) | 500 | 500 | | 0 | 0 | | 500 | 500 | | 500 | 500 | | 500 | 500 | |
| Transport Grants | | | | | | | | | | | | | | | |
| Local Transport Fund - Cymmer Carriageway Improvements | 0 | 0 | | 307 | 0 | 307 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Local Transport Fund - Neath Integrated Transport Hub | 0 | 0 | | 178 | 0 | 178 | 770 | 0 | 770 | 0 | 0 | | 0 | 0 | |
| Road Safety Grant | 336 | 0 | 336 | 2,221 | 0 | 2,221 | 100 | 0 | 100 | 0 | 0 | | 0 | 0 | |
| Active Travel | 0 | 0 | | 1,206 | 20 | 1,186 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Resilient Roads Fund - Castle Drive Cimla | 200 | 200 | | 266 | 66 | 200 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Safe Routes in Communities | 0 | 0 | | 50 | 0 | 50 | 0 | 0 | | 0 | 0 | | 0 | 0 | |

Capital Programme 2024/25 to 2026/27

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| | Original 2023/24 | | | Revised 2023/24 | | | Original 2024/25 | | | Original 2025/26 | | | Original 2026/27 | | |
|--|------------------|-----------|--------------|-----------------|-------------------|-------|------------------|--------------|-------------------|------------------|-----------|--------------|------------------|-------------------|-------|
| | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | |
| | | £'000 | NPT £'000 | | External £'000 | £'000 | | NPT £'000 | External £'000 | | £'000 | NPT £'000 | | External £'000 | £'000 |
| <u>Major Bridge Strengthening</u> | | | | | | | | | | | | | | | |
| A474 Vale of Neath Bridge | 284 | 284 | | 0 | 0 | | 100 | 100 | | 194 | 194 | | 0 | 0 | |
| Cymmer Viaduct Design Work | 14 | 14 | | 16 | 16 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Coal Tip Safety | 0 | 0 | | 1,099 | 0 | 1,099 | 5,544 | 0 | 5,544 | 0 | 0 | | 0 | 0 | |
| <u>Flood and Coastal Risk Projects</u> | | | | | | | | | | | | | | | |
| Aberafan Promenade | 14 | 14 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Flood Prevention Initiatives | 80 | 80 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Neighbourhood Improvements | 150 | 150 | | 406 | 406 | | 168 | 168 | | 150 | 150 | | 150 | 150 | |
| Pavilions | 256 | 256 | | 214 | 214 | | 138 | 138 | | 100 | 100 | | 100 | 100 | |
| Disability Access | 150 | 150 | | 154 | 154 | | 150 | 150 | | 150 | 150 | | 150 | 150 | |
| Health and Safety | 1,300 | 1,300 | | 840 | 840 | | 1,087 | 1,087 | | 850 | 850 | | 850 | 850 | |
| Vehicle Replacement Programme | 3,579 | 3,579 | | 1,200 | 1,200 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| <u>Crymlyn Burrows Transfer Station</u> | | | | | | | | | | | | | | | |
| Crymlyn Burrows Transfer Station Site Improvements | 700 | 700 | | 1,313 | 1,313 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Waste Fleet Relocation Works | 3,400 | 2,200 | 1,200 | 200 | 200 | | 3,497 | 3,497 | | 0 | 0 | | 0 | 0 | |
| Waste Strategy | 0 | 0 | | 25 | 25 | | 175 | 175 | | 0 | 0 | | 0 | 0 | |
| Other Waste | 0 | 0 | | 43 | 43 | | 28 | 28 | | 0 | 0 | | 0 | 0 | |
| <u>Other</u> | | | | | | | | | | | | | | | |
| Milland Road Footbridge | 100 | 100 | | 0 | 0 | | 100 | 100 | | 0 | 0 | | 0 | 0 | |
| Physical Regeneration | 73 | 73 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| PDR Network Management | 0 | 0 | | 0 | 0 | | 600 | 600 | | 0 | 0 | | 0 | 0 | |
| PDR Including Dock Road Feeder Bridge | 0 | 0 | | 517 | 517 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Godre'rgrraig site clearance and land remediation | 0 | 0 | | 32 | 32 | | 445 | 445 | | 0 | 0 | | 0 | 0 | |
| Sports Wales – Lighting Programme | 0 | 0 | | 136 | 0 | 136 | 146 | 82 | 64 | 0 | 0 | | 0 | 0 | |
| Memorial Safety | 0 | 0 | | 97 | 97 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Gadlys Terrace and Pleasant View, Glyncoirwg | 0 | 0 | | 90 | 90 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |

Capital Programme 2024/25 to 2026/27

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| | Original 2023/24 | | | Revised 2023/24 | | | Original 2024/25 | | | Original 2025/26 | | | Original 2026/27 | | |
|--|------------------|-------|----------|-----------------|-------|----------|------------------|-------|----------|------------------|-------|----------|------------------|-------|----------|
| | Funded by | | | Funded by | | | Funded by | | | Funded by | | | Funded by | | |
| | Budget | NPT | External | Budget | NPT | External | Budget | NPT | External | Budget | NPT | External | Budget | NPT | External |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Employment and Business Start Up Space | 464 | 464 | | 10 | 10 | | 174 | 174 | | 300 | 300 | | 0 | 0 | |
| Community Self Build Housing | 150 | 150 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Neath Strategic Hub | 250 | 250 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Margam Country Park EV Charging and Public Facilities | 153 | 153 | | 237 | 128 | 110 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Aquasplash Upgrade (Phases 2 & 3) | 35 | 35 | | 305 | 305 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Maintenance - Structures and Council Owned Tips | 118 | 118 | | 10 | 10 | | 109 | 109 | | 0 | 0 | | 0 | 0 | |
| <u>Regeneration</u> | | | | | | | | | | | | | | | |
| Match Funding & Feasibility for WG & UK Government Funding Streams | 3,325 | 3,325 | | 32 | 32 | | 1,753 | 1,753 | | 5,404 | 5,404 | | 2,125 | 2,125 | |
| Harbourside Strategic Employment Sites | 435 | 435 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Former Crown Foods Site Re-development - Phases 2 & 3 | 316 | 316 | | 55 | 55 | | 423 | 423 | | 1,000 | 1,000 | | 0 | 0 | |
| Former Port Talbot Magistrates Court Refurbishment | 99 | 99 | | 20 | 20 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| 6 Station Road, Port Talbot | 167 | 167 | | 0 | 0 | | 167 | 167 | | 0 | 0 | | 0 | 0 | |
| Neath Transport Hub | 2,192 | 680 | 1,512 | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Commercial Property Grant | 296 | 296 | | 77 | 77 | | 314 | 314 | | 75 | 75 | | 75 | 75 | |
| Place Making Grant | 810 | 0 | 810 | 91 | 0 | 91 | 810 | 0 | 810 | 0 | 0 | | 0 | 0 | |
| Mardon Park | 0 | 0 | | 90 | 0 | 90 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Redevelopment of the Former Youth Offending Team | 0 | 0 | | 0 | 0 | | 825 | 248 | 578 | 0 | 0 | | 0 | 0 | |
| <u>City Deal</u> | | | | | | | | | | | | | | | |
| Technology Centre | 0 | 0 | | 64 | 64 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| SWITCH | 14,150 | 0 | 14,150 | 400 | 6 | 394 | 6,000 | 98 | 5,903 | 13,556 | 196 | 13,361 | 0 | 0 | |
| Hydrogen Stimulus | 926 | 0 | 926 | 926 | 14 | 912 | 509 | 8 | 501 | 566 | 8 | 557 | 0 | 0 | |
| Air Quality Monitoring | 190 | 0 | 190 | 123 | 2 | 122 | 181 | 3 | 179 | 0 | 0 | | 0 | 0 | |
| Low Emission Vehicles (LEV) | 475 | 0 | 475 | 65 | 1 | 64 | 250 | 4 | 246 | 185 | 3 | 182 | 0 | 0 | |
| Advanced Manufacturing Production Facility | 10,550 | 0 | 10,550 | 50 | 1 | 49 | 150 | 2 | 148 | 8,249 | 124 | 8,126 | 8,750 | 131 | 8,619 |
| Property Development Fund | 1,500 | 0 | 1,500 | 100 | 1 | 98 | 1,400 | 214 | 1,186 | 2,998 | 45 | 2,953 | 0 | 0 | |
| Homes as Power Stations | 5,467 | 0 | 5,467 | 742 | 11 | 731 | 3,424 | 51 | 3,373 | 7,165 | 107 | 7,058 | 3,341 | 50 | 3,291 |

Capital Programme 2024/25 to 2026/27

| | Original 2023/24 | | | Revised 2023/24 | | | Original 2024/25 | | | Original 2025/26 | | | Original 2026/27 | | |
|--------------------------------------|------------------|---------------|---------------|-----------------|---------------|---------------|------------------|---------------|---------------|------------------|---------------|---------------|------------------|--------------|---------------|
| | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | |
| | | NPT | External | | NPT | External | | NPT | External | | NPT | External | | NPT | External |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| <u>Regeneration Cont</u> | | | | | | | | | | | | | | | |
| <u>Levelling Up</u> | | | | | | | | | | | | | | | |
| Pontneddfechan | 4,185 | 419 | 3,767 | 100 | 0 | 100 | 7,570 | 768 | 6,802 | 0 | 0 | 0 | 0 | 0 | |
| Gnoll Park | 6,453 | 645 | 5,808 | 851 | 0 | 851 | 11,179 | 1,205 | 9,975 | 0 | 0 | 0 | 0 | 0 | |
| <u>Shared Prosperity Fund</u> | | | | | | | | | | | | | | | |
| Valley Industrial Units | 250 | 0 | 250 | 71 | 0 | 71 | 3,428 | 0 | 3,428 | 0 | 0 | 0 | 0 | 0 | |
| Aberavon Seafront Masterplan | 50 | 0 | 50 | 0 | 0 | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | |
| NPT Heritage, Culture & Tourism Fund | 250 | 0 | 250 | 0 | 0 | 0 | 1,098 | 0 | 1,098 | 0 | 0 | 0 | 0 | 0 | |
| Valleys & Villages Prosperity Fund | 300 | 0 | 300 | 165 | 0 | 165 | 1,496 | 0 | 1,496 | 0 | 0 | 0 | 0 | 0 | |
| Sustainable Communities Growth Fund | 350 | 0 | 350 | 50 | 0 | 50 | 250 | 0 | 250 | 0 | 0 | 0 | 0 | 0 | |
| Third Sector Growth Fund | 231 | 0 | 231 | 145 | 0 | 145 | 10 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | |
| SPF Supporting Local Business | 800 | 0 | 800 | 300 | 0 | 300 | 1,762 | 0 | 1,762 | 0 | 0 | 0 | 0 | 0 | |
| SPF Open Call (RD&I) | 535 | 0 | 535 | 0 | 0 | 0 | 136 | 0 | 136 | 0 | 0 | 0 | 0 | 0 | |
| Other Regeneration Projects | 470 | 380 | 90 | 190 | 126 | 64 | 790 | 490 | 300 | 75 | 75 | 75 | 75 | | |
| Total | 77,174 | 27,614 | 49,560 | 25,574 | 13,373 | 12,200 | 64,247 | 19,519 | 44,728 | 44,642 | 12,406 | 32,236 | 19,241 | 7,331 | 11,909 |

Capital Programme 2024/25 to 2026/27

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| | Original 2023/24 | | | Revised 2023/24 | | | Original 2024/25 | | | Original 2025/26 | | | Original 2026/27 | | |
|--|------------------|---------------|---------------|-----------------|---------------|---------------|------------------|---------------|---------------|------------------|---------------|---------------|------------------|---------------|---------------|
| | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | |
| | | NPT | External | | NPT | External | | NPT | External | | NPT | External | | NPT | External |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Social Services, Health and Housing | | | | | | | | | | | | | | | |
| Capital Maintenance | 350 | 350 | | 354 | 354 | | 150 | 150 | | 150 | 150 | | 150 | 150 | |
| Disabled Facilities Grants | 4,085 | 4,085 | | 3,723 | 3,568 | 155 | 3,155 | 3,000 | 155 | 3,000 | 3,000 | | 3,000 | 3,000 | |
| Enable - Support For Independent Living | 281 | 0 | 281 | 281 | 0 | 281 | 281 | 0 | 281 | 0 | 0 | | 0 | 0 | |
| Supported Living New Build | 1,266 | 1,266 | | 0 | 0 | | 0 | 0 | | 1,266 | 1,266 | | 0 | 0 | |
| Home Care Electric Vehicles | 0 | 0 | | 152 | 152 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| NPT Rent Rescue - Purchase of Properties/Maintenance | 0 | 0 | | 575 | 173 | 403 | 75 | 75 | | 0 | 0 | | 0 | 0 | |
| Other Social Services, Health and Housing | 0 | 0 | | 204 | 160 | 44 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Total | 5,983 | 5,701 | 281 | 5,290 | 4,406 | 883 | 3,661 | 3,225 | 437 | 4,416 | 4,416 | 0 | 3,150 | 3,150 | 0 |
| Other Services | | | | | | | | | | | | | | | |
| Schools IT Replacement | 750 | 750 | | 25 | 25 | | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| Vehicle Replacement | 340 | 340 | | 550 | 550 | | 340 | 340 | | 340 | 340 | | 340 | 340 | |
| Civic Accommodation Modernisation | 250 | 250 | | 0 | 0 | | 250 | 250 | | 0 | 0 | | 0 | 0 | |
| Food Poverty Grant | 0 | 0 | | 31 | 0 | 31 | 0 | 0 | | 0 | 0 | | 0 | 0 | |
| CCTV Replacement | 0 | 0 | | 15 | 15 | | 25 | 25 | | 0 | 0 | | 0 | 0 | |
| Income Generation Proposals | 534 | 534 | | 0 | 0 | | 250 | 250 | | 250 | 250 | | 250 | 250 | |
| Corporate End User Device Fund | 0 | 0 | | 479 | 479 | | 450 | 450 | | 450 | 450 | | 450 | 450 | |
| Microsoft Software License | 0 | 0 | | 504 | 504 | | 500 | 500 | | 500 | 500 | | 500 | 500 | |
| Total | 1,874 | 1,874 | 0 | 1,603 | 1,572 | 31 | 1,815 | 1,815 | 0 | 1,540 | 1,540 | 0 | 1,540 | 1,540 | 0 |
| Contingency | 1,021 | 1,021 | | 1,212 | 1,212 | | 1,212 | 1,212 | | 950 | 950 | | 950 | 950 | |
| Grand Total | 118,053 | 52,680 | 65,373 | 45,285 | 28,282 | 17,003 | 79,548 | 30,489 | 49,058 | 68,070 | 22,784 | 45,286 | 26,381 | 14,471 | 11,909 |



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

Report of the Chief Finance Officer

– H.Jones

6th March 2024

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED: ALL

TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY, AND MINIMUM REVENUE PROVISION POLICY

Purpose of Report

1. This report sets out the Council's Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy for 2024/25.
2. Treasury Management is defined as:
“The management of the local authority's 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”.

Introduction

3. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties providing adequate liquidity initially before considering investment return.

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4. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses.

Reporting Requirements

5. The Council is required to receive and approve, as a minimum, three main reports each year, which incorporates a variety of policies, estimates and actuals; details of which are outlined below.
6. Prudential and Treasury Indicators and Treasury Strategy (this report)

The first and most important report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organized) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

7. A Mid-year Treasury Management Report (prepared after 1st October)

This will update Members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

8. An Annual Treasury Report

This provides details of the actual performance for the previous financial year and provides a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy. This report must be considered by Members by 30th September of the following financial year.

Scrutiny Arrangements

9. The above reports are required to be scrutinised before being recommended to Council. These arrangements are detailed in the scheme of delegation as set out in Appendix 1 of this report.

Treasury Management Strategy for 2024/25

10. The strategy for 2024/25 covers two main areas

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
 - treasury indicators which limit the treasury risk and activities of the Council;
 - prospects for interest rates;
 - the borrowing strategy;
 - policy on borrowing in advance of need;
 - debt rescheduling;
 - the investment strategy;
 - creditworthiness policy; and
 - the policy on use of external service providers.
11. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, Welsh Government MRP Guidance, the CIPFA Treasury Management Code and Welsh Government Investment Guidance

Capital Prudential Indicators

12. Capital Expenditure

This prudential indicator is a summary of the Council's capital expenditure plans. The table below summarises these plans and how they are being financed:

| | 2022/23 Actual £'000 | 2023/24 Revised £'000 | 2024/25 Estimate £'000 | 2025/26 Estimate £'000 | 2026/27 Estimate £'000 |
|------------------------|----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| Capital expenditure | 44,097 | 45,285 | 81,901 | 68,070 | 26,381 |
| | | | | | |
| <u>Resourced by:</u> | | | | | |
| Capital receipts | 3,416 | 475 | 1,300 | 1,300 | 1,300 |
| Grants & contributions | 21,196 | 33,234 | 60,958 | 52,487 | 16,944 |
| Reserves & DRF* | 3,338 | 2,817 | 2,498 | 0 | 0 |
| Borrowing | 16,147 | 8,759 | 17,145 | 14,283 | 8,137 |

NB * DRF means Direct Revenue Financing

13. The Capital Financing Requirement (CFR)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so it's underlying borrowing need.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness. The table below shows the projected CFR movements:

| CFR | 2022/23 Actual £'000 | 2023/24 Revised £'000 | 2024/25 Estimate £'000 | 2025/26 Estimate £'000 | 2026/27 Estimate £'000 |
|---------------------------------------|----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| Opening Balance | 349,573 | 355,073 | 352,729 | 357,876 | 359,751 |
| Add: | | | | | |
| Expenditure to be funded by borrowing | 16,147 | 8,759 | 17,145 | 14,283 | 8,137 |
| Less: Minimum Revenue Prov. (MRP) | (10,647) | (11,103) | (11,998) | (12,408) | (12,871) |
| Est. Closing Balance | 355,073 | 352,729 | 357,876 | 359,751 | 355,017 |

Treasury Management Prudential Indicators

14. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity and the Council's capital strategy.
15. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.
16. The Council's treasury portfolio position at 31st March 2023 comprised:

| Table 1 | Principal | |
|---------------------------------|---------------------|-----------------------|
| <u>Borrowing</u> | £m | £m |
| Fixed rate funding | PWLB 216,446 | |
| | Market 62,500 | |
| | Other <u>16,249</u> | |
| | 295,195 | |
| Variable rate funding | <u>0</u> | |
| | 295,195 | |
| Other long term liabilities | | 0 |
| <u>Gross Debt</u> | | <u>295,195</u> |
| <u>Total investments</u> | | 53,600 |

17. Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the Capital Financing Requirement.
18. The Council has complied with this prudential indicator in the current year and there is no indication that it will not do so in future as detailed below:

| | 2022/23 Actual £'000 | 2023/24 Revised £'000 | 2024/25 Estimate £'000 | 2025/26 Estimate £'000 | 2026/27 Estimate £'000 |
|---|----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| Actual gross debt at 31 st March | 295,195 | 276,357 | 268,752 | 267,557 | 262,130 |
| Capital Financing Requirement (CFR) | 355,073 | 352,729 | 357,876 | 359,751 | 355,017 |
| | | | | | |
| Under / (over) borrowed | 59,878 | 76,372 | 89,126 | 92,195 | 92,887 |

Treasury Indicators: Limits relating to borrowing

19. The Operational Boundary

This is the limit beyond which external debt is not normally expected to exceed.

| | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 |
|----------------------|------------------|------------------|------------------|------------------|
| Operational Boundary | 382,729 | 387,876 | 389,751 | 385,017 |

20. The Authorised Limit

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

| | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 |
|------------------|------------------|------------------|------------------|------------------|
| Authorised Limit | 402,729 | 407,876 | 409,751 | 405,017 |

21. Upper limits on fixed and variable interest rate exposure

This identifies a maximum limit for fixed and variable interest rates based upon the total debt position

| | 2023/24 to 2026/27 £'000 |
|--|---|
| Upper Limit on Fixed Interest Rate Exposure | 416,013 |
| Lower Limit on Fixed Interest Rate Exposure | |
| Upper Limit on Variable Interest Rate Exposure | 208,007 |
| Lower Limit on Variable Interest rate Exposure | |

22. Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits

| Maturity Structure of Fixed Rate Borrowing | 2023/24 Estimate % | Upper Limit % | Lower Limit % |
|--|-----------------------|------------------|------------------|
| Under 12 months | 3 | 15 | 0 |
| 12 months to 2 years | 0 | 15 | 0 |
| 2 to 5 years | 0 | 40 | 0 |
| 5 to 10 years | 11 | 60 | 0 |
| 10 years + | 86 | 100 | 15 |

Prospects for Interest Rates

23. The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Link’s projected view.

| | Mar24 | Jun24 | Sep24 | Dec24 | Mar25 | Jun25 | Sep25 |
|------------|-------|-------|-------|-------|-------|-------|-------|
| Bank Rate | 5.25 | 5.25 | 4.75 | 4.25 | 3.75 | 3.25 | 3.00 |
| 5 yr PWLB | 4.50 | 4.40 | 4.30 | 4.20 | 4.10 | 4.00 | 3.80 |
| 10 yr PWLB | 4.70 | 4.50 | 4.40 | 4.30 | 4.20 | 4.10 | 4.00 |
| 25 yr PWLB | 5.20 | 5.10 | 4.90 | 4.80 | 4.60 | 4.40 | 4.30 |
| 50 yr PWLB | 5.00 | 4.90 | 4.70 | 4.60 | 4.40 | 4.20 | 4.10 |

Borrowing Strategy

24. The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates. However this strategy can only be used as a short term measure therefore consideration will be given to entering into external borrowing during 2024/25.

25. The following types of loan arrangement will be considered (in no particular order):

- Temporary borrowing from the money markets or other local authorities.
- Short dated borrowing from the market or PWLB.
- Long term fixed rate market or PWLB loans.

Changes to PWLB lending rules during 2020/21 now mean that Local Authorities can no longer borrow at preferential rates if they intend to borrow (from any source) to fund investment specifically for the purpose of generating a profit. This Council will not be borrowing for this purpose.

26. The general aim of this treasury management strategy is to ensure the affordability of capital investment within the ongoing revenue budget, to ensure that the credit risk is managed effectively when comparing borrowing costs and investment holdings and returns.

27. The Council will continue to examine the potential for undertaking early repayment of some external debt to the PWLB in order to

reduce the difference between its gross and net debt positions.

28. Members should note that no new loans have been taken out (as of the date of this report) during 2023/24.
29. It should be noted that the Council repaid £5.644m of principal repayments to the PWLB during 2023/24.
30. It should also be noted that a Lender Option Borrower Option (LOBO) loan of £7m was repaid during 2023/24.

Policy on Borrowing in Advance of Need

31. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Debt Rescheduling

32. As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
33. The reasons for any rescheduling to take place will include:
 - the generation of cash savings and / or discounted cash flow savings,
 - helping to fulfil this Treasury Management Strategy, and
 - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
34. Consideration will also be given to identify if there is any potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
35. No rescheduling is anticipated in 2024/25. If rescheduling does take place it will be reported to the Cabinet Board, at the earliest meeting following its action.

Annual Investment Strategy

36. The Council's investment policy has regard to the Welsh Government's Guidance on Local Government Investments ("the Guidance") and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the CIPFA TM Code"). The Council's investment priorities will be security first, portfolio liquidity second, then return.
37. In accordance with the above, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using Link's ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.
38. Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets.
39. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
40. The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.
41. The intention of the strategy is to provide security of investment and minimisation of risk.
42. Investment instruments identified for use in the financial year are listed in Appendix 2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices Schedules.

Creditworthiness Policy

43. The Council receives creditworthiness information from Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- credit watches and credit outlooks from credit rating agencies
 - Credit Default Swop (CDS) spreads to give early warning of likely changes in credit ratings
 - sovereign ratings to select counterparties from only the most creditworthy countries
44. All credit ratings are monitored on a daily basis. The Council is alerted to changes to ratings of money market organisations as announced by all three agencies through its use of the Link's creditworthiness service.
- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
45. Council Officers are able to use this creditworthiness information to help support their decision making processes along with other market information and data available.
46. The approved investment criteria are detailed in Appendix 2 of this report and have not changed from those previously approved by Members.

Country Limits

47. The Council will only invest in Banks in countries where the sovereignty rating is AA+ or higher, with the exception of the UK which currently has an AA- rating. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 2. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

Investment Strategy

48. **In-house funds:** The Council currently manages its surplus funds in-house. The core balance, available for strategic investment is estimated to be in the region of £25m. The remaining cash balances

are mainly cash flow derived and available for short term investment only.

49. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (up to 12 months). The Council policy will allow investments up to a maximum of £25m for periods of more than 1 year and up to 5 years, and this will be considered when decisions on investing surplus funds are made.

Investment return projections.

50. The recent increases in the Bank of England Base Rate has led to an improvement in the investment return projections. The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

- 2023/24 5.30%
- 2024/25 4.55%
- 2025/26 3.10%
- 2026/27 3.00%
- 2027/28 3.25%
- Later years 3.25%

Investments greater than 365 days

51. The Council is required to set a limit on the total value of investments with a duration greater than 365 days. This limit is set with regard to the Council's liquidity requirements. The proposed limit is set out at £25m.
52. Members should note that the updated Treasury Management Code of Practice now requires Local Authorities to report on investments over 365 days as opposed to the previous practice of over 364 days.

End of Year Investment Report

53. Members will receive a report on the actual 2023/24 investment activity as part of the Annual Treasury Report by 30th September 2024.

Policy on the Use of External Service Providers

54. The Council uses Link Asset Services as its external treasury management advisers. The Council's contract is with them was

renewed 1st July 2022 and ends 30th June 2025.

55. The Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
56. However it is recognised that responsibility for treasury management decisions remains with the Council.

Role of the Section 151 Officer

57. The Chief Finance Officer is the designated Section 151 Officer for the Council. The specific responsibilities of the S151 Officer are set out below:
 - to recommend treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
 - submitting regular treasury management policy reports
 - submitting budgets and budget variations
 - receiving and reviewing management information reports
 - reviewing the performance of the treasury management function
 - ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
 - ensuring the adequacy of internal audit, and liaising with external audit
 - recommend the appointment of external service providers

Minimum Revenue Provision

Introduction

58. Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred therefore such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision.

59. The council is required to approve its MRP policy for the forthcoming financial year ensuring that “prudent provision” is made.

Minimum Revenue Provision Policy Statement 2024/25

The Council’s MRP policy for 2024/25 is detailed below:

MRP Policy – Supported Borrowing

60. The Council is required to make arrangements for the repayment of debt which it considers to be a ‘prudent provision for the repayment of debt’. In relation to capital expenditure funded by supported borrowing the MRP policy will be to write down the debt over a 50 year period on a straight line basis, this is broadly consistent with the lives of assets funded and maintained by supported borrowing.

MRP Policy – Prudential Borrowing

61. Expenditure will be subject to MRP on the basis of asset life and using the equal annual instalment or annuity methods as appropriate.
62. Estimated life periods will be determined by the Chief Finance Officer under delegated powers. To the extent that expenditure is not on the creation of an asset e.g. computer software and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.
63. Where some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure, as determined by the Chief Finance Officer.
64. Where the Council provides capital funding to a third party the MRP charge will be calculated as if the Council incurred the capital expenditure itself i.e. over the expected life of the asset.
65. The Council will apply the Minimum Revenue Provision to the accounts in the financial year following which the asset becomes operational.

Affordability Prudential Indicators

66. The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework a prudential indicator is required to assess the affordability of the capital investment plans. This indicator shows the impact of the capital investment plans on the Council’s overall finances.

Ratio of financing costs to net revenue stream

| | 2022/23 Actual | 2023/24 Revised Estimate | 2024/25 Original Estimate | 2025/26 Original Estimate |
|------------------------------|-------------------|--------------------------------|---------------------------------|---------------------------------|
| Financing Cost / Net Revenue | 6.25% | 5.66% | 5.60% | 5.33% |

Financial Impact

67. All financial impacts are detailed within the body of the report.

Integrated Impact Assessment

68. There is no requirement for an integrated impact assessment for this report.

Workforce impacts

69. There are no workforce impacts resulting from this report.

Legal impacts

70. The report deals with the Council’s legal requirements as set out in Local Government Act 2003.

Risk management

71. Compliance with the strategies outlined in this report should be sufficient in terms of managing risks in this area.

Recommendation

72. It is recommended that Cabinet commend to Council the approval of the following Strategies and Policies as set out in this report:

- Treasury Management Strategy
- Annual Investment Strategy
- Minimum Revenue Provision Policy
- Prudential Indicators

Reasons for proposed decision

73. To approve the Authority's Treasury Management Strategy, Annual Investment Strategy, Capital Strategy and MRP Policy as required by the Local Government Act 2003 and the CIPFA Prudential Code for Capital Finance in Local Authorities (2017).

Implementation of decision

74. The decision is proposed for implementation immediately after consultation with the Cabinet Scrutiny Committee and determination by Council.

Appendices

Appendix 1 – Scheme of Delegation
Appendix 2 - Investment Criteria

List of Background Papers

CIPFA – Treasury Management in the Public Sector Code of Practice
CIPFA – Prudential Code for Capital Finance in Local Authorities (2017)
Treasury Management Working Papers

Officer Contact:

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Mr Ross Livingstone – Chief Accountant – Capital, Exchequer and Financial Systems E-mail: r.livingstone@npt.gov.uk

Scheme of Delegation

| Area of Responsibility | Council/ Committee | Frequency |
|--|--|--|
| Treasury Management Strategy / Annual Investment Strategy / MRP policy | Cabinet for approval by Full Council | Annually before the start of the year |
| Treasury Management Strategy / Annual Investment Strategy / MRP policy – mid-year report | Cabinet | Mid-year |
| Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times | Cabinet for approval by Full Council | Periodically |
| Annual Treasury Outturn Report | Cabinet | Annually by 30 th September after the end of the year |
| Treasury Management Monitoring and Performance Reports | Cabinet and Cabinet Scrutiny Committee and Audit Committee | Quarterly |
| Treasury Management Practices | Cabinet for approval by Full Council | Amendments to be reported annually |
| Scrutiny of Treasury Management Strategy | Cabinet and Cabinet Scrutiny Committee and Audit Committee | Annually |

Specified Investments

| | Minimum 'High' Credit Criteria | Funds Managed | Max Amount | Max Duration |
|--|-----------------------------------|---------------|------------|----------------------|
| Term deposits | | | | |
| Term deposits - Debt Management Office | N/A | In-house | Unlimited | 1 year |
| Term deposits – local, police and fire authorities | N/A | In-house | £10m | 1 year |
| Term deposits – Nationalised & Part Nationalised UK banks/Building Societies | Fitch short-term rating F1+, F1 | In-house | £20m | 1 year |
| Term deposits – UK banks/Building Societies | Fitch short-term rating F1+ | In-house | £20m | 1 year |
| Term deposits – UK banks/Building Societies | Fitch short-term rating F1 | In-house | £15m | 6 months or 185 days |
| Callable deposits | | | | |
| Callable deposits – Debt Management Agency deposit facility | N/A | In-house | Unlimited | |
| Callable deposits – Nationalised & Part Nationalised UK banks/Building Societies | Fitch short-term rating F1+, F1 | In-house | £20m | |
| Callable deposits – Nationalised & Part Nationalised UK banks/Building Societies | Fitch short-term rating F2 | In-house | £10m | |
| Callable deposits - UK banks/Building Societies | Fitch short-term rating F1+ or F1 | In-house | £15m * | |
| Term deposits – non UK banks | Fitch short-term rating F1+ | In-house | £5m | 6 months or 185 days |

* Where necessary this limit may be temporarily exceeded with the Authority's bankers only.

Other specified investments are as follows:

1. The UK Government – in addition to the Debt Management Account facility, there are UK Treasury Bills or Gilts with less than 1 year to maturity.
2. Supranational Bonds of less than 1 year duration – there are two categories:
 - (a) multilateral development bank bonds such as European Investment Bank Bonds
 - (b) a financial institution that is guaranteed by the UK Government such as The Guaranteed Export Finance Company.
3. Pooled Investment Vehicles (such as Money Market funds) that have been awarded a high credit rating agency.

Specified investments are considered low risk assets where the possibility of loss of principal or investment income is small.

The Council has not utilised these types of investments in the past but is currently investigating the merits for doing so.

Non-Specified Investments:

A maximum of £25m will be held in aggregate in non-specified investments. All non-specified investments will be sterling denominated, as reflected below:

Maturities in excess of 1 year

| | Minimum Credit Criteria | Funds Managed | Max. Investment | Max. Maturity Period |
|---|--------------------------------|----------------------|------------------------|-----------------------------|
| Fixed term deposits with fixed rate and fixed maturity | | | | |
| Debt Management Agency Deposit Facility | N/A | In-house | Unlimited | 5 years |
| Term deposits – local authorities | NA | In-house | £10m | 5 years |
| Term deposits – UK banks/Building Societies | Fitch long-term rating A | In-house | £10m | 5 years |
| Term deposits – Non UK banks | Fitch long-term rating A | In-house | £3m | 5 years |
| Term deposits – building societies | Fitch long-term rating A | In-house | £3m | 5 years |
| Fixed term deposits with variable rate and variable maturities | | | | |
| Callable deposits | Fitch long-term rating A | In-house | Criteria as above | |

Approved Countries for Investments

At present the Council has the ability to invest in the countries as set out below; the Council will take account of all information if making investments in Non-UK banks.

The Council will only invest in Banks where the sovereignty is AA+ or higher, with the exception of the UK which has a AA- Sovereign Rating. Should the UK sovereignty rating reduce further the Council will immediately review its investments but will continue to invest in UK institutions in line with the agreed strategy and a report will be forwarded to Members for consideration.

Based on latest available rating:

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- USA

AA

- United Arab Emirates

AA-

- UK

Mae'r dudalen hon yn fwriadol wag