

Pecyn Dogfennau Cyhoeddus

County Council (C)

Man Cyfarfod
**Council Chamber - County Hall,
Llandrindod Wells**

Dyddiad y Cyfarfod
Dydd Mercher, 9 Mawrth 2016

Amser y Cyfarfod
10.30 am



Neuadd Y Sir
Llandrindod
Powys
LD1 5LG

I gael rhagor o wybodaeth cysylltwch â
Stephen Boyd
01597 826374
steve.boyd@powys.gov.uk

Dyddiad Cyhoeddi

AGENDA

1.	YMDDIHEURIADAU	CC22- 2016
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Derbyn ymddiheuriadau am absenoldeb.

2.	COFNODION	CC23- 2016
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Awdurdodi'r Cadeirydd i lofnodi cofnodion y cyfarfod diwethaf yn gofnod cywir.
([Tudalennau 5 - 10](#))

3.	DATGANIADAU O DDIDDORDEB	CC24- 2016
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Derbyn unrhyw ddatganiadau o ddiddordeb gan Aelodau sy'n ywmenud ag eitemau sydd i'w hystyried ar yr agenda.

4.	CYHOEDDIADAU'R CADEIRYDD	CC25- 2016
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Derbyn unrhyw gyhoediadau gan Gadeirydd y Cyngor.

5.	CYHOEDDIADAU'R ARWEINYDD	CC26- 2016
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Derbyn unrhyw gyhoeddiadau oddi wrth yr Arweinydd.

6.	NEGES BRIFFIO GAN Y PRIF WEITHREDWR	CC27- 2016
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Derbyn neges briffio oddi wrth y Prif Weithredwr.

7.	TROSGLWYDDIADAU YN Y GYLLIDEB	CC28- 2016
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Ystyried trosglwyddiadau yn y gyllideb y mae angen cymeradwyaeth y Cyngor ar eu cyfer.

(Tudalennau 11 - 12)

8.	DATGANIAD BLYNYDDOL ISAFSWM DARPARIAETH REFENIW DIGWYGIEDIG AR GYFER 2015/16	CC29- 2016
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Ystyried Datganiad Blynyddol ynglyn â'r Isafswm Darpariaeth Refeniw Diwygiedig ar gyfer 2015/16.

(Tudalennau 13 - 22)

9.	PENDERFYNIAD TRETH Y CYNGOR AR GYFER 2016-2017	CC30- 2016
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Gosod Treth y Cyngor ar gyfer 2016-2017.

(Tudalennau 23 - 42)

10.	DEDDF TAI (CYMRU) 2014 - PREMIYMAU TRETH Y CYNGOR	CC31- 2016
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Ystyried gosod premiwm Treth y Cyngor ar gyfer eiddo fu'n wag am gyfnod hir ac eiddo nad oes pobl yn byw ynddo.

(Tudalennau 43 - 94)

11.	DATGANIAD POLISI CYFLOG	CC32- 2016
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Derbyn ac ystyried datganiad polisi cyflog 2016-2017.

(Tudalennau 95 - 116)

12.	PENODIAD AELODAU I BWYLLGORAU GAN GRWPIAU GWLEIDYDDOL AC WEDI'U CYMERADWYO GAN Y SWYDDOG MONITRO	CC33- 2016
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Nodi'r penodiad canlynol a gafodd ei wneud dan y grwp Democratiaid Rhyddfrydol a'l gymeradwyo gan y Swyddog Monitro dan bwer dirprwyo cyffredinol dirprwyo a ganiatawyd gan y Cyngor ar 16 Mai 2013:

Penodwyd y Cyngorydd Sir Kathryn Silk i'r Pwyllgor Safonau yn lle'r Cyngorydd Sir Maureen Mackenzie.

13.	CWESTIWN I'R AELOD PORTFFOLIO Â CHYFRIFOLDEB AM BRIFFYRDD ODDI WRTH Y CYNGHORYDD SIR KELVYN CURRY	CC34- 2016
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Clywais gan elusen ganser leol, the Bracken Trust, yn ddiweddar a oedd yn bryderus fod CSP wedi cynyddu ei ffioedd am gau ffyrdd dros dro o £130 i £330, sef cynnydd o fwy na 150%. Mae hyn yn golygu bod crocbris yn cael ei godi am gynnal un o'r achlysuron codi arian mwyaf poblogaidd o amgylch y llyn yn Llandrindod, a bydd hefyd yn effeithio ar allu elusennau eraill i godi arian mewn gwahanol fannau ym Mhowys.

Mewn ymateb i nifer o'r cwestiynau a ofynnais i'r Aelod Portffolio yn ddiweddar, fe ddywedodd na chynhaliwyd asesiad effaith pan gododd cost y gorchmynion dros dro fis Hydref 2015, felly sut wyddom ni a fydd y cynnydd yma yn arwain at golli mwy a mwy o refeniw, gan y gallai o rwystro elusennau rhag cynnal yr achlysuron yma o gwbl? Hefyd, ni wyddom pa effaith fydd ar allu codi arian yr elusennau hyn ar adeg pan mae Cyngor Sir Powys yn dibynnu fwyfwy ar grwpiau cymunedol lleol a'r Trydydd Sector i redeg y digwyddiadau yr oedd y Cyngor yn gyfrifol amdanynt yn flaenorol.

Mae'r Aelod Portffolio wedi dweud ei fod yn disgwyl y bydd y ffioedd newydd yn cynhyrchu incwm o £12,920 eleni, o'i gymharu â £6,120 y llynedd. Fodd bynnag heb gynnal asesiad effaith, mae'n amhosibl i ni wybod hyn. Efallai na fyddwn hyd yn oed yn cyrraedd £6,120! Fel y mae pethau ar hyn o bryd, mae'n eithaf posibl y bydd Cyngor Sir Powys yn gweld lleihad yn ei incwm wrth i grwpiau cymunedol lleol a'r Trydydd Sector benderfynu peidio â threfnu'r math yma o achlysur codi arian, a bydd y sefydliadau eu hunain yn bendant yn colli incwm wrth i'r math yma o achlysur codi arian ddod yn fwyfwy aneconomaidd (hynny yw, bydd yn costio mwy i'w redeg nag y bydd yn ei godi). A dweud y gwir, mae'n *double whammy*, a bydd pawb ar ei golled!

O ystyried hyn, a'r ffaith nad yw llawer o gynghorau Cymru yn codi am gau ffordd ar gyfer achlysur cymunedol neu nid-er-elw (er bod ambell gyngor yn gwneud hynny), oni fyddai'n ddoeth i'r Aelod Portffolio ddychwelyd i'r hen strwythur ffioedd ar gyfer cau ffyrdd dros dro nes y bydd wedi cynnal asesiad effaith llawn? Yna, gellid datblygu ffordd synhwyrol ymlaen, ar sail tystiolaeth ac nid dyfaliad.

(Tudalennau 117 - 118)

14.	STRATEGAETH RHEOLI'R TRYSORLYS	CC35- 2016
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Derbyn ac ystyried y Datganiad Strategaeth ar Reoli'r Trysorlys a'r Strategaeth Buddsoddi Blynyddol.

(Tudalennau 119 - 146)

14.1. **Eitem wedi'i Heithrio**

Mae'r Swyddog Monitro wedi penderfynu bod yr eitemau canlynol yn destun categori 3 y Rheolau Trefn Mynediad at Wybodaeth. Ei farn o ran prawf lles y cyhoedd (wedi ystyried darpariaethau Rheol 11.8, Rheolau Mynediad at Wybodaeth y Cyngor), oedd y byddai gwneud y wybodaeth hon yn gyhoeddus yn datgelu gwybodaeth ynglyn â materion ariannol neu fusnes unrhyw unigolyn penodol (gan gynnwys yr awdurdod yn cadw'r wybodaeth honno).

Roedd o'r farn bod diddordeb y cyhoedd wrth gadw'r eithriad yn fwy pwysig na diddordeb y cyhoedd wrth ddatgelu'r wybodaeth. Gofynnir i Aelodau ystyried y ffactorau hyn wrth benderfynu ar brawf lles y cyhoedd, a rhaid iddynt benderfynu

ar hyn wrth ystyried eithrio'r cyhoedd o'r rhan hon o'r cyfarfod.

14.2. Atodiad Cyfrinachol

Ystyried yr atodiad cyfrinachol i'r adroddiad.

(Tudalennau 147 - 156)

Cynhelir y cyflwyniad canlynol am 2.00 p.m.

15.	CYFLWYNIAD GAN SIMON PRINCE, PRIF GWNSTABL HEDDLU DYFED POWYS	CC36- 2016
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CC23- 2016

MINUTES OF A MEETING OF THE COUNTY COUNCIL HELD AT COUNCIL CHAMBER - COUNTY HALL, LLANDRINDOD WELLS ON 25TH FEBRUARY 2016

PRESENT

County Councillor PJ Ashton (Chair)

County Councillors M C Alexander, D Bailey, GR Banks, R G Brown, J H Brunt, LV Corfield, K W Curry, A W Davies, D E Davies, E R Davies, L R E Davies, S C Davies, S Davies, M J Dorrance, D O Evans, V E Evans, W J Evans, L Fitzpatrick, R I George, MR Harris, P Harris, S M Hayes, A Holloway, J C Holmes, E A Jones, D C Jones, D R Jones, M J Jones, E M Jones, G M Jones, J R Jones, W T Jones, F H Jump, H Lewis, P E Lewis, M C Mackenzie, DJ Mayor, S McNicholas, R H Mills, P J Medlicott, E T Morgan, G Morgan, J G Morris, W J T Powell, W D Powell, G D Price, D R Price, P C Pritchard, G W Ratcliffe, K M Roberts-Jones, K S Silk, KF Tampin, D A Thomas, W B Thomas, A G Thomas, D G Thomas, R G Thomas, TG Turner, T J Van-Rees, G P Vaughan, D H Williams, S L Williams, J M Williams, G I S Williams and E A York

1.	APOLOGIES	CC15 - 2016
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Apologies for absence were received from County Councillors G J Bowker, MJB Davies, C J Gibson-Watt, G G Hopkins, Eldrydd M Jones, D W Meredith and J G Shearer.

Councillors asked that the Chair to write to Councillor Bowker with their congratulations on the birth of her daughter.

2.	MINUTES	CC16 - 2016
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The Chair was authorised to sign the minutes of the meeting held on 20th January 2016 as a correct record.

3.	DECLARATIONS OF INTEREST	CC17 - 2016
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County Councillor TJ Van-Rees declared a prejudicial interest when the County Farms Estate was discussed as part of the debate on the Capital Programme.

4.	REVISED MINIMUM REVENUE PROVISION ANNUAL STATEMENT 2016/17	CC18 - 2016
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Council considered the method used to calculate the Minimum Revenue Provision (MRP) for 2016/17. The Portfolio Holder for Finance explained that Minimum Revenue Provision was the annual charge that local authorities are required to make for the repayment of debt liability and should be seen in the context of the capital financing requirement that is capital expenditure not financed from revenue resources, capital grants or receipts, but from borrowing. It was proposed to change the method of calculating the MRP from a 4% rate on a reducing basis to 2% on a straight line basis. Detailed independent professional advice had been obtained and that the Auditor General of WAO recently wrote to all Welsh authorities confirming that the adjustment to policy was a matter for local determination. The Portfolio Holder for Finance explained

that this would shorten the period over which loans were repaid and bring greater certainty to the period of time future payments would be required. It was estimated that changing to this method would save £3m in 2016/17.

RESOLVED	Reason for Decision:
1. To use a 2% straight line calculation for MRP in relation to Supported Borrowing.	Statutory Requirement
2. To use Option 3 Asset Life Annuity Method for the calculation of MRP in relation to Prudential Borrowing.	Statutory Requirement
3. To use a 2% reducing balance for MRP in relation to Historic and the Settlement Debt for the HRA	Statutory Requirement
4. To use Option 3 Asset Life for the calculation of MRP in relation to Prudential Borrowing for the HRA	Statutory Requirement
5. To take advantage of the guidance that allows for MRP to be deferred for assets under construction.	To match the cost of MRP to the use of an asset by a service.

5.	BUDGET FOR 2016/17, MEDIUM TERM FINANCIAL STRATEGY AND CAPITAL PROGRAMME FOR 2016-2021	CC19 - 2016
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Council considered the budget for 2016/17, the Medium Term Financial Strategy 2016/2019 and Capital Programme 2016/2021. (Copy filed with the signed minutes).

The Portfolio Holder for Finance explained that in addition to presenting a balanced budget for 2016/17, the Medium Term Financial Strategy set out provisional proposals up to 31st March 2019, giving a balanced three year position. In presenting the report the Portfolio Holder thanked his colleagues on the Cabinet, members of Scrutiny and officers for their work in shaping the budget. He also acknowledged the additional funding made available by Welsh Government and the support of Assembly Members in lobbying for this which meant that the Cabinet did not have to bring forward a number of cuts to services that had been under consideration. The Portfolio Holder for Finance reminded Council of the savings already achieved and of the savings still to be made up to 2020. Despite the need to make savings the Cabinet were recommending protection for the schools budget of £1.273m and additional 2% funding for the Adult Social Care budget as there had been clear public support for this in the consultation. The Portfolio Holder for Finance explained that the approach taken by the Cabinet was to deliver a budget for change which kept front line services intact by supporting the transformation agenda. Cabinet was recommending a 4.25% rise in Council Tax and the Portfolio Holder for Finance explained that

£500,000 had been taken from reserves to reduce the recommended rise from 5%.

Portfolio Holders answered questions from Members. In response to comments about the Single Integrated Impact Assessments, the Portfolio Holder for Finance agreed that they needed to be more consistently and accurately completed and he advised that training and guidance would be provided for officers completing them. Training would also be provided for portfolio holders who were required to sign them off. Work on next year's SIAs would start in April and May.

A number of Members expressed concerns about some of the savings proposed and challenged Portfolio Holders on the impact of savings on services. The Portfolio Holder for Finance explained that cuts of the scale the Council had to deliver required a rethink on how services were delivered including transferring services to communities as an alternative to withdrawing them. A number of members argued that the level of Council Tax proposed was unaffordable and that the funding formula was unfair. The Portfolio Holder for Finance advised that to set the Council Tax lower would be to risk any future support from Welsh Government and that he understood that the funding formula was under review.

County Councillor P Harris left at 11.58 a.m.

County Councillor WD Powell arrived at 12.35 p.m.

It was moved by County Councillor DR Price and seconded by County Councillor AG Thomas that the matter be put.

RESOLVED that the matter be put.

The Portfolio Holder for Finance moved the recommendations in the report, duly seconded and it was

RESOLVED	Reason for Decision:
1. To approve the proposed Revenue Budget for 2016/17 shown in the Financial Resource Model in Appendix 2 to the report.	Statutory Requirement
2. That a Council Tax increase of 4.25% is included in the budget that goes to full council on the 9th March 2016.	There is a Statutory Requirement to set Council Tax but the level is a matter for local determination.
3. That the Medium Term Financial Strategy for 2016 to 2019 as set out in Appendix 1 to the report be agreed in principle.	To aid business planning and development of the budget over a three year period
4. The authorised borrowing limit for 2016/17 as required under section 3(1) of the Local Government Act 2003 be approved as set out in	Statutory Requirement

paragraph 9.9 of the report.	
5. The Prudential Indicators for 2016/17 are approved as set out in section 9 of the report.	Statutory Requirement

Capital Budget 2016/17 to 2019/20

The Portfolio Holder for Finance presented the Capital budget. The Capital Programme for the next 4 years totalled £163m which represented a significant regeneration impact for the economy of Powys alongside the effect of better infrastructure to deliver services. Capital investment also had a significant input into the delivery of revenue savings.

Council discussed the County Farms Estate and maximising the return on the Council's investment. County Councillor TJ Van Rees declared a personal and prejudicial interest and left the meeting during the discussion. The Portfolio Holder for Environment and Sustainability agreed on the need to maximise the return and advised that there would be a report on the County Farms Estate going to the Cabinet in May.

In response to a question on the capital budget for special schools, the Portfolio Holder for Education advised that there would be a report coming to Cabinet and he undertook to keep County Councillor JR Jones and the governors of Ysgol Cedewain informed.

County Councillor AW Davies proposed and County Councillor GD Price seconded amendments to the Capital Programme.

Council adjourned at 13.45 and reconvened at 14.15.

PRESENT

County Councillor PJ Ashton (Chair)

County Councillors M C Alexander, D Bailey, GR Banks, R G Brown, J H Brunt, LV Corfield, A W Davies, D E Davies, E R Davies, L R E Davies, S C Davies, S Davies, M J Dorrance, V E Evans, R I George, MR Harris, S M Hayes, A Holloway, J C Holmes, E A Jones, D C Jones, D R Jones, M J Jones, E M Jones, G M Jones, J R Jones, W T Jones, F H Jump, H Lewis, DJ Mayor, S McNicholas, P J Medlicott, G Morgan, W J T Powell, W D Powell, G D Price, P C Pritchard, K M Roberts-Jones, K S Silk, D A Thomas, W B Thomas, D G Thomas, R G Thomas, TG Turner, T J Van-Rees, G P Vaughan, D H Williams, S L Williams, J M Williams, G I S Williams and E A York

County Councillor AW Davies proposed and County Councillor GD Price seconded two amendments to the Capital Programme.

1. That an additional £1 m of capital be allocated to the School Major Improvements Capital Programme each year from 2017/18 to 2019/20.
2. That Cabinet consider putting in place a £500,000 fund for 2017/18 to support capital improvements for assets transferred to communities.

Council voted on the first amendment

RESOLVED that an additional £1 m of capital be allocated to the School Major Improvements Capital Programme each year from 2017/18 to 2019/20.

Council voted on the second amendment. The amendment was lost upon being put to the vote.

The Capital Strategy was moved by the Portfolio Holder for Finance and duly seconded and put to the vote.

RESOLVED	Reason for Decision
Subject to the amendment passed above, the proposed Capital Strategy for 2016/17 shown in Appendix 4 to the report be approved.	Statutory Requirement

The Leader thanked the Portfolio Holder for Finance, the other Cabinet members, officers and Scrutiny members for their work on the budget.

6.	APPOINTMENT TO CARE AND REPAIR	CC20 - 2016
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Council was asked to consider making an appointment to Care and Repair. County Councillors G.M. Jones and K.M. Roberts-Jones were nominated. Following a ballot it was

RESOLVED	Reason for Decision
That County Councillor K.M. Roberts-Jones be nominated to represent the Council on Care and Repair.	To ensure Council representation.

7.	QUESTION TO THE PORTFOLIO HOLDER FOR ENVIRONMENT AND SUSTAINABILITY FROM COUNTY COUNCILLOR GARETH RATCLIFFE	CC21 - 2016
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1. Can the portfolio holder please provide the number of households still on purple sacks collection and provide a rationale in coming to the decision on costs of replacement purple sacks?

2. Could the portfolio holder provide the costs for other councils on the sack system?

1. There are currently 13,700 properties that receive a collection of their residual waste in purple sacks. These are properties that are considered unsuitable for a wheeled bin which is the preferred option where they can

be accommodated. Each property receives an annual allocation of free purple sacks (3 rolls of 26 bags) which is the equivalent of a full standard 180 litre wheeled bin collected every three weeks. This means that all properties, regardless of whether they are on purple sacks or wheeled bins, have the same capacity for their residual waste over a twelve month period. If any resident requires extra capacity they are required to purchase additional purple sacks.

The cost of the additional sacks at £51.88 per roll of 26 is to cover the costs of collection and disposal and also to encourage residents to increase the amount they recycle and hence reduce any need for additional residual capacity. There is no limit to the amount of recycling containers that households can have and put out.

2. *Authorities across Wales offer a number of different systems for the collection of residual waste which does make a comparison of the cost of bags difficult. Cardiff City Council does have a similar system with a charge for additional capacity at a cost of £10 for the first five bags and £1.85 per bag thereafter, a charge that is similar to Powys.*

There was no supplementary question.

Other Business

Council was pleased to note the success of Dyffryn Tanat and Bro Ddyfi YFCs in the Montgomery YFC County Drama Festival.

County Councillor PJ Ashton (Chair)

CC28- 2016

C27 -2016

CAPITAL PROGRAMME - VIREMENTS REQUIRED AS AT 31 DECEMBER 2015

**Amount
£000**

Information Services

The replacement Social Care system is not going to be an asset of the authority. This virement therefore recommends that the budget of £737k is removed from capital programme and the budget is created in revenue. The funding is from the IT reserve so there are no financial implications from this change.

-737

-737

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

CC29- 2016

CYNGOR SIR POWYS COUNTY COUNCIL.

COUNCIL
9th March 2016

REPORT AUTHOR: County Councillor Wynne Jones
Portfolio Holder for Finance

SUBJECT: Revised Minimum Revenue Provision Annual Statement
2015/16

REPORT FOR: Decision

1. Summary

1.1 This report is a statutory requirement required under Local Authority regulations when revising the method used to calculate the Minimum Revenue Provision for 2015/16.

2. Proposal

2.1 The Capital Financing Requirement (CFR) is the amount of capital expenditure that is not financed from revenue resources, capital grants and other contributions and capital receipts. Any expenditure that is not financed from these resources increases the authority's underlying need to borrow. The authority has to plan to finance the increase in the CFR by setting aside resources. This is called the Minimum Revenue Provision (MRP).

2.2 Regulation 21 (Local Authorities Capital Finance and Accounting (Wales) Regulations 2003) places a requirement on local authorities in respect of calculating MRP.

2.3 Regulation 22 details how MRP should be calculated. In 2010 WG issued statutory guidance which set various options for calculating prudent provision. This is set out in Appendix 1. In the new Regulation 22, the previous detailed rules are replaced with a simple duty for an authority each year to make an amount of MRP which it considers to be "prudent".

2.4 The regulation itself does not define "prudent amount". However, the MRP guidance makes recommendations to authorities on the interpretation of that term.

2.5 One of the methods in the guidance is the Regulatory method with a 4% reducing balance set aside. In reviewing the MRP calculation it is essential to give proper regard to the statutory guidance and if amending the policy which results in an option that is different to the guidance then the implications of adopting the new option must be made clear. This report sets out both the negative and positive aspects of changing the policy for consideration.

3. Supported Borrowing

3.1 There would appear to be several considerations that could be explored:

- Is the MRP % appropriate?
- Is a reducing balance or straight line methodology appropriate for MRP?

- Do nothing (maintain current policy)
- 3.2 The method used to calculate the MRP for 2016/17 was approved by the Council on 25th February 2016. Given that Council agreed the approach for the 2016/17 budget policy framework it is appropriate to assess whether this should also be applied to the current financial year and this report now seeks to amend the method for 2015/16 as well given it is prudent to do so. The current 4% policy has an implied recovery period of 25 years. However, as the MRP is calculated each year on a reducing balance, the 4% is to a reduced CFR in each subsequent year thereby reducing the annual repayment. The move to a 2% straight line approach brings greater certainty to future periods because under the 4% reducing balance method the repayment period actually continues over an extended period. The graph in Appendix 2 illustrates this.
- 3.3 Therefore the proposal is to change the method of calculating the MRP in 2015/16 from the previous method of, 4% on a reducing balance, to 2% on a straight line basis for borrowing Council Fund debt previously financed from supported borrowing or credit approvals. This is in line with the approach for 2016/17 onwards agreed by Council on 25th February.
- 3.4 In addition to creating greater certainty about future calculations and will also yield an estimated £3.m saving in 2015/16 that can be applied to the overall revenue budget. The advantage of the straight line basis is that the debt is extinguished over a 50 year period. In comparison the same debt on a 4% reducing balance would take 75 years to extinguish. The second advantage is greater certainty about the amount of debt.
- 3.5 This report is only changing the method of calculating the MRP for Supported Borrowing for the Council fund.
- 4. Options Considered/Available**
- 4.1 A detailed review was undertaken by external consultants on the method of calculating the MRP. The advice provided has given assurance about the proposed change.
- 5. Preferred Choice and Reasons**
- 5.1 The preferred choice is to change the Supported Borrowing MRP to a 2% straight line charge.
- 6. Local Member(s)**
- 6.1 Not applicable
- 7. Other Front Line Services**
- 7.1 Not applicable
- 8. Support Services (Legal, Finance, Corporate Property, HR, ICT, BPU)**
- 8.1 The Finance function has been closely involved in the review and confirms the data included in the report.
9. Legal – The recommendations can be supported from a legal perspective

10. Corporate Communications

10.1 No proactive communication action required.

11. Statutory Officers

11.1 The Strategic Director Resources (Section 151 Officer) comments as follows:

It is appropriate that we have considered our existing MRP policy and the amendment follows external review and the report recommends a prudent approach that complies with regulations.

Several councils have recently reviewed their own MRP policies and have adopted an alternative to the 4% reducing balance (regulatory method) of calculating MRP for previously supported General Fund borrowing.

The Auditor General recently wrote to all welsh authorities confirming that the adjustment to policy is a matter for local determination. We have informed our external auditor of the change.

In reviewing the policy to MRP calculation proper regard has been given to the statutory guidance. The use of the council's external treasury management advisor has developed options and the implications of the change. These have been considered in reaching the recommendation in the report.

11.2 The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report.

12. Members' Interests

12.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
1. To use a 2% straight line calculation for MRP in relation to Supported Borrowing.	Statutory Requirement

Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	
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Person(s) To Implement Decision:	Strategic Director Resources
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Date By When Decision To Be Implemented:	1st April 2016

Contact Officer Name:	Tel:	Fax:	Email:
Dawn Richards	01597 826342		dawn.richards@powys.gov.uk

What is a Minimum Revenue Provision?

The Capital Financing Requirement (CFR) is the amount of capital expenditure that is not financed from revenue resources, capital grants and other contributions and capital receipts. Any expenditure that is not financed from these resources increases the authority's underlying need to borrow. The authority has to plan to finance the increase in the CFR by setting aside resources. This is called the Minimum Revenue Provision (MRP).

Government Guidance

The introduction of the Prudential Code, implementing regulations 21 and 22 of the Local Authorities Capital Finance and Accounting (Wales) Regulations (2003) prescribed how much MRP an authority should charge through a formula linked to the capital financing requirement (CFR). This was calculated as 4% of the opening CFR for the GF and 2% of the opening CFR for the HRA.

This system was radically revised in 2008 by the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008, which shifted the emphasis from regulations to guidance primarily in relation to the General Fund (the duty to make MRP on housing assets remained unchanged). The new system and accompanying guidance were issued in March 2008 and became effective from 1st April 2007, so that for 2007-08 and subsequent years, the prescriptive MRP calculation was replaced with a requirement that local authorities calculate a level of MRP they consider to be prudent. The Authority implemented the changes to the regulations in 2009/10 following the approval of new policies by the Council.

These current regulations and supplementary Welsh Government MRP guidance, the latest of which was published in April 2010, therefore offer authorities significantly more discretion in deciding upon the amount of MRP. The regulations require authorities to "have regard" to the guidance and the recommendations within it. In principle, an authority is now only required to make a "prudent provision" in respect of its ongoing MRP charge, and to arrange for its debt liability to be repaid over a similar period to that which the asset associated with the capital expenditure provides benefits or, in the case of borrowing supported by RSG, in-line with the period implicit in the determination of that grant (ie. 4% p.a. with respect to the General Fund and 2% p.a. in relation to the HRA. Section 3.7 of this report details the options now available to the Authority with regards HRA MRP following the HRA settlement in April 2015 and the revised Item 8 Determinations that accompanied this.

The type of approach intended by the MRP guidance is clearly to enable local circumstances and discretion to play a part, as the guidance in general contains a set of recommendations rather than representing a prescriptive process. The guidance makes it clear that councils can follow an alternative approach, provided they still make a prudent provision.

The recommended options under the Guidance are:

Option 1 - Regulatory method

This option allows MRP to be based on the same formula used in the previous regulations (Regulation 22), namely 4% of the adjusted CFR (i.e. adjusted for Adjustment A, the HRA CFR or any other adjustments emanating from S.I. 2007 No. 1051 (W.108)). This method should only be adopted for an authority's historic debt liability as at 31 March 2008 or for new "supported" capital expenditure applied within the year. It is important to note that the guidance states that this option may be used for new "supported" capital expenditure after 1st April 2008 but does not have to be. It is open to the Authority to decide whether an alternative option is considered more appropriate for any financial year.

Option 2 –CFR Method

This is a simplified version of Option 1, which provides for MRP to be calculated solely on the non-housing element of the CFR. It therefore ignores any adjustment to the CFR for "Adjustment A". For most authorities this method would probably result in a higher level of provision than that under Option 1, although it is a more simplistic approach technically.

Option 3 – Asset Life Method

Under this option MRP is aligned to the estimated life of the asset for which the underlying need to borrow is undertaken. This method is suggested for all new "unsupported" borrowing but can, if desired, be applied for "supported" borrowing as well. The charge is recommended to be applied either on a straight line basis or by using the annuity method. The annuity method is intended to have the advantage of linking MRP to the flow of benefits from an asset where these are expected to increase in later years.

The guidance recommends that whatever period is chosen at the outset must remain as the chosen life period. Informal commentary to the guidance states only that such provision should be made "over a period bearing some relation to that over which the asset continues to provide a service".

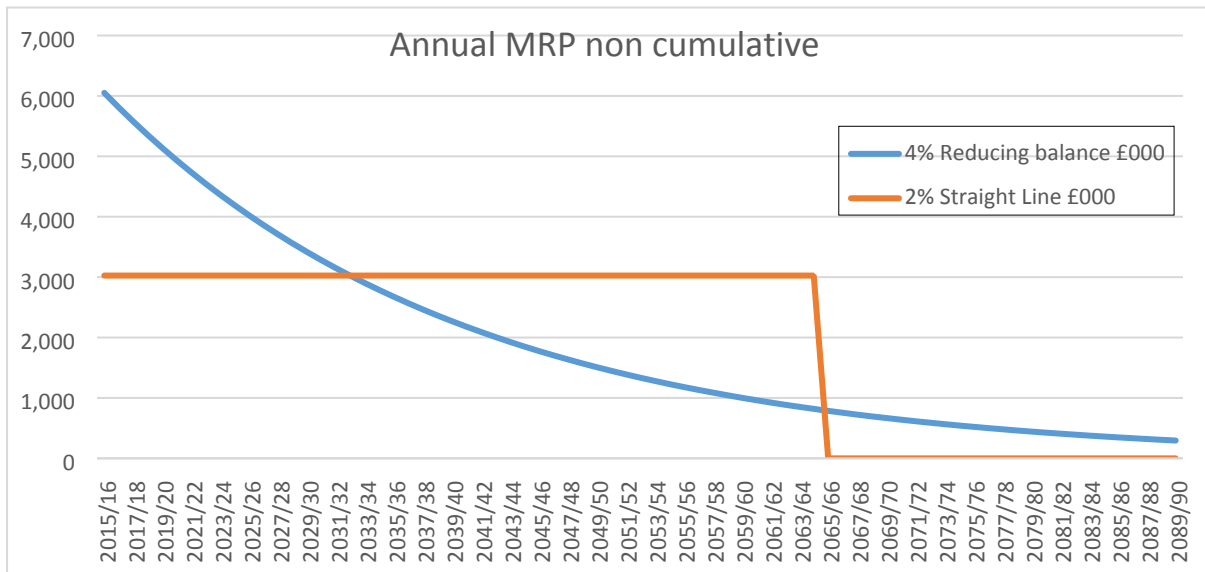
Significantly, under option 3 (and option 4), MRP does not have to be charged until the financial year following that in which the asset is completed and becomes operational.

Option 4 – Depreciation Method

This option is a more complex version of option 3. MRP is matched to the provision for depreciation, or appropriate proportion thereof, for the associated asset based on standard accounting practice. It therefore takes in consideration the residual value of an asset as well as any revaluations and impairments. MRP should continue to be made annually until the cumulative amount of the provision is equal to the expenditure originally financed by borrowing.

The Regulations also require authorities to prepare an annual statement of their policy on making MRP for submission to their full council (or closest equivalent level) for scrutiny and approval before the start of the financial year. The original statement may be revised during the year by the full Council or the appropriate body of Members where required.

Appendix 2 Illustration of MRP over time using 2% straight line approach compared with a 4% reducing balance method



Year	4% Reducing balance £000	2% Straight Line £000	Cost/ (Saving) £000
2015/16	6,051	3,026	(3,026)
2016/17	5,809	3,026	(2,784)
2017/18	5,577	3,026	(2,551)
2018/19	5,354	3,026	(2,328)
2019/20	5,140	3,026	(2,114)
2020/21	4,934	3,026	(1,908)
2021/22	4,737	3,026	(1,711)
2022/23	4,547	3,026	(1,522)
2023/24	4,365	3,026	(1,340)
2024/25	4,191	3,026	(1,165)
2025/26	4,023	3,026	(997)
2026/27	3,862	3,026	(837)
2027/28	3,708	3,026	(682)
2028/29	3,559	3,026	(534)
2029/30	3,417	3,026	(391)
2030/31	3,280	3,026	(255)
2031/32	3,149	3,026	(123)
2032/33	3,023	3,026	3
2033/34	2,902	3,026	123
2034/35	2,786	3,026	240
2035/36	2,675	3,026	351
2036/37	2,568	3,026	458
2037/38	2,465	3,026	561
2038/39	2,366	3,026	659
2039/40	2,272	3,026	754

2040/41	2,181	3,026	845
2041/42	2,094	3,026	932
2042/43	2,010	3,026	1,016
2043/44	1,929	3,026	1,096
2044/45	1,852	3,026	1,173
2045/46	1,778	3,026	1,247
2046/47	1,707	3,026	1,319
2047/48	1,639	3,026	1,387
2048/49	1,573	3,026	1,452
2049/50	1,510	3,026	1,515
2050/51	1,450	3,026	1,576
2051/52	1,392	3,026	1,634
2052/53	1,336	3,026	1,689
2053/54	1,283	3,026	1,743
2054/55	1,231	3,026	1,794
2055/56	1,182	3,026	1,843
2056/57	1,135	3,026	1,891
2057/58	1,090	3,026	1,936
2058/59	1,046	3,026	1,980
2059/60	1,004	3,026	2,022
2060/61	964	3,026	2,062
2061/62	925	3,026	2,100
2062/63	888	3,026	2,137
2063/64	853	3,026	2,173
2064/65	819	3,026	2,207
2065/66	786	0	(786)
2066/67	755	0	(755)
2067/68	724	0	(724)
2068/69	695	0	(695)
2069/70	668	0	(668)
2070/71	641	0	(641)
2071/72	615	0	(615)
2072/73	591	0	(591)
2073/74	567	0	(567)
2074/75	544	0	(544)
2075/76	523	0	(523)
2076/77	502	0	(502)
2077/78	482	0	(482)
2078/79	462	0	(462)
2079/80	444	0	(444)
2080/81	426	0	(426)
2081/82	409	0	(409)
2082/83	393	0	(393)
2083/84	377	0	(377)
2084/85	362	0	(362)
2085/86	347	0	(347)
2086/87	334	0	(334)
2087/88	320	0	(320)
2088/89	307	0	(307)
2089/90	295	0	(295)

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

CC30- 2016

CYNGOR SIR POWYS COUNTY COUNCIL.

Full Council
9th March 2016

REPORT AUTHOR: County Councillor Wynne Jones
Portfolio Holder for Finance

SUBJECT: Council Tax Resolution for 2016-2017, 4.25% Increase

REPORT FOR: Decision

1.0 INTRODUCTION

- 1.1 The purpose of this report is to meet the Council's legal obligation to approve the Council Tax resolution and to set the Council Tax charges for 2016/2017.
- 1.2 The budget was agreed at Council on 25th February 2016, this report contains a 4.25% increase in Council Tax for the financial year 2016-17.
- 1.3 That at a meeting of the Cabinet on the 24th November 2015, the Council calculated the following amounts for the year 2016/2017 in accordance with Regulations made under Section 33 (5) of the Local Government Finance Act, 1992.
- (a) Being the amount calculated by the Council, in accordance with the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as amended, as its Council Tax Base for the year 2016/2017.
- (b) Part of the Council's area

Community of:

Abbeycwmhir	125.29
Aberedw	133.27
Aberhafesp	218.77
Abermule with Llandyssil	719.64
Banwy	317.56
Bausley with Criggion	359.43
Beguildy	375.78
Berriew	734.61
Betws Cedewain	230.98
Brecon	3441.49
Bronllys	424.73
Builth Wells	1070.10
Cadfarch	446.80

Caersws	704.77
Carno	351.15
Carreghofa	306.24
Castle Caereinion	287.13
Churchstoke	840.50
Cilmery	229.90
Clyro	409.17
Cray	133.76
Crickhowell	1073.65
Cwmdu and District	557.21
Disserth & Trecoed	545.39
Duhonw	154.25
Dwyrhiw	277.87
Erwood	252.16
Felinfach	383.85
Fordeu	779.73
Gladestry	231.87
Glantwymyn	656.01
Glasbury	546.28
Glascwm	266.74
Glyn Tarrell	297.77
Guilsfield	860.99
Gwernyfed	488.36
Hay-on-Wye	843.06
Honddu Isaf	223.99
Kerry	940.77
Knighton	1312.32
Llanafanfawr	238.57
Llanbadarn Fawr	334.11
Llanbadarn Fynydd	143.12
Llanbister	198.87
Llanbrynmair	488.76
Llanddew	118.10
Llanddewi Ystradenny	141.05
Llandinam	437.14
Llandrindod Wells	2320.27
Llandrinio & Arddleen	702.80
Llandysilio	533.77
Llanelwedd	190.40
Llanerfyl	217.78
Llanfair Caereinion	789.08
Llanfechain	274.42
Llanfihangel	272.94
Llanfihangel Rhydithon	116.72
Llanfrynach	319.34
Llanfyllin	700.83
Llangammarch	255.41
Llangattock	567.75
Llangedwyn	196.21
Llangorse	553.37
Llangunllo	196.90
Llangurig	390.65
Llangynidr	583.51
Llangyniew	304.96

Llangynog	195.23
Llanidloes	1159.74
Llanidloes Without	313.43
Llanigon	286.44
Llanrhaeadr ym Mochnant	583.22
Llansantffraid	697.48
Llansilin	348.49
Llanwddyn	122.83
Llanwrthwl	105.30
Llanwrtyd Wells	391.54
Llanyre	572.29
Llywel	249.30
Machynlleth	874.48
Maescar	470.78
Manafon	178.97
Meifod	680.73
Merthyr Cynog	136.92
Mochdre with Penstrowed	246.94
Montgomery	715.70
Nantmel	335.89
New Radnor	222.51
Newtown & Llanllwchaiarn	4273.32
Old Radnor	387.70
Paincastle	284.17
Pen Y Bont Fawr	252.16
Penybont & Llandegley	204.58
Presteigne & Norton	1265.63
Rhayader	903.15
St Harmon	310.96
Talgarth	719.15
Talybont-on-Usk	388.42
Tawe Uchaf	591.69
Trallong	200.84
Trefeglwys	449.06
Treflys	222.61
Tregynon	377.85
Trewern	651.18
Vale of Grwyney	484.03
Welshpool	2618.26
Whitton	206.85
Yscir	257.87
Ystradfelte	250.88
Ystradgynlais	2856.92
	61,185.66

being the amounts calculated by the Council in accordance with the Regulations, as the amounts of its Council Tax Base for the year 2016/2017 for dwellings in those parts of its area to which one or more special items relate.

2. THE CALCULATION

2.1. THAT the following amounts be now calculated by the Council for the year 2016/2017 in accordance with Sections 32 to 36 of the Local Government Finance Act, 1992:

- (a) £449,624,392.39 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act
- (b) £209,919,880.07 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act
- (c) £239,704,512.32 being the amount by which the aggregate at 2.1(a) above exceeds the aggregate at 2.1(b) above, calculated by the Council, in accordance with Section 32 (4) of the Act, as its budget requirement for the year
- (d) £170,293,773.00 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of re-distributed Non Domestic Rates, Revenue Support Grant, special grant or additional grant
- (e) £1,134.43 being the amount at 2.1(c) above less the amount at 2.1(d) above, all divided by the amount at 1.3(a) above, calculated by the Council, in accordance with Section 33 (1) of the Act, as the basic amount of its Council Tax for the year
- (f) £2,714,698.32 being the aggregate amount of all special items referred to in Section 34 (1) of the Act
- (g) £1,090.06 being the amount at 2.1(e) above less the result given by dividing the amount at 2.1(f) above by the amount at 1.3(a) above, calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

BRECKNOCK

<u>COMMUNITY</u>	<u>COUNTY & COMMUNITY</u> <u>COUNCIL TAX BAND D</u>
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Brecon	£1,173.41
Bronllys	£1,118.31
Builth Wells	£1,164.08
Cilmery	£1,102.57
Cray	£1,119.96
Crickhowell	£1,132.90
Duhonw	£1,097.52
Erwood	£1,101.56
Felinfach	£1,108.30
Glyn Tarrell	£1,116.93
Gwernyfed	£1,109.09
Hay-on-Wye	£1,137.74
Honddu Isaf	£1,091.06
Llanafan Fawr	£1,102.63
Llanddew	£1,111.23
Cwmdu and District	£1,108.01
Llanfrynach	£1,128.32
Llangammarch	£1,116.68
Llangattock	£1,122.97
Llangorse	£1,112.65
Llangynidr	£1,104.18
Llanigon	£1,104.02
Llanwrthwl	£1,110.00
Llanwrtyd Wells	£1,132.20
Llywel	£1,115.03
Maescar	£1,121.07
Merthyr Cynog	£1,117.45
Talgarth	£1,163.76
Talybont-on-Usk	£1,123.53
Tawe Uchaf	£1,123.86
Trallong	£1,101.51
Treflys	£1,105.78
Vale of Grwyney	£1,104.52
Yscir	£1,105.06
Ystradfellte	£1,125.93
Ystradgynlais	£1,173.89

MONTGOMERYSHIRE

<u>COMMUNITY</u>	<u>COUNTY & COMMUNITY COUNCIL TAX BAND D</u>
Aberhafesp	£1,106.06
Banwy	£1,108.95
Bausley with Criggion	£1,106.89
Berriew	£1,105.52
Betws Cedewain	£1,117.40
Cadfarch	£1,101.78
Caersws	£1,115.60
Carno	£1,124.34
Carreghofa	£1,129.28
Castle Caereinion	£1,116.04
Churchstoke	£1,111.95
Dwyrhiw	£1,104.46
Forden	£1,121.00
Glantwymyn	£1,105.91
Guilsfield	£1,103.98
Kerry	£1,118.12
Llanbrynmair	£1,111.67
Llandinam	£1,114.92
Llandrinio and Arddleen	£1,112.06
Llandysilio	£1,119.27
Abermule with Llandyssil	£1,127.93
Llanerfyl	£1,108.60
LLanfair Caereinion	£1,128.65
Llanfechain	£1,112.86
Llanfihangel	£1,115.93
Llanfyllin	£1,117.70
Llangedwyn	£1,100.25
Llangurig	£1,097.74
Llangyniew	£1,108.56
Llangynog	£1,120.79
Llanidloes	£1,199.03
Llanidloes Without	£1,112.39
Llanrhaeadr ym Mochnant	£1,105.49
Llansantffraid	£1,113.00
Llansilin	£1,095.80
Llanwddyn	£1,126.27
Machynlleth	£1,198.01
Manafon	£1,110.18
Meifod	£1,101.81
Mochdre with Penstrowed	£1,113.55
Montgomery	£1,125.67
Newtown & Llanllwchaïam	£1,168.35
Pen Y Bont Fawr	£1,124.99
Trefeglwys	£1,092.95
Tregynon	£1,113.09
Trewern	£1,116.06
Welshpool	£1,212.28

RADNORSHIRE

<u>COMMUNITY</u>	<u>COUNTY & COMMUNITY COUNCIL TAX BAND D</u>
Abbeycwmhir	£1,109.02
Aberedw	£1,096.81
Beguildy	£1,113.06
Clyro	£1,099.84
Disserth & Trecoed	£1,109.18
Gladestry	£1,103.00
Glasbury	£1,113.86
Glaschw	£1,102.92
Knighton	£1,133.08
Llanbadarn Fawr	£1,105.03
Llanbadarn Fynydd	£1,113.06
Llanbister	£1,103.89
Llanddewi Ystradenny	£1,099.99
Llandrindod Wells	£1,153.37
Llanelwedd	£1,103.19
Llanfihangel Rhydithon	£1,112.34
Llangunllo	£1,102.76
Llanyre	£1,110.06
Nantmel	£1,109.59
New Radnor	£1,115.06
Old Radnor	£1,105.97
Painscastle	£1,096.04
Penybont & Llandegley	£1,110.83
Presteigne & Norton	£1,134.06
Rhayader	£1,127.15
St Harmon	£1,113.70
Whitton	£1,100.06

being the amounts given by adding to the amount at 2.1(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1.3(b) above, calculated by the Council, in accordance with Section 34 (3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate

- (i) Part of the Council's area

COMMUNITY**COUNTY & COMMUNITY
COUNCIL TAX BANDS**

	A	B	C	D	E	F	G	H	I
Brecon	£782.27	£912.65	£1,043.03	£1,173.41	£1,434.17	£1,694.93	£1,955.68	£2,346.82	£2,737.96
Bronllys	£745.54	£869.80	£994.05	£1,118.31	£1,366.82	£1,615.34	£1,863.85	£2,236.62	£2,609.39
Builth Wells	£776.05	£905.40	£1,034.74	£1,164.08	£1,422.76	£1,681.45	£1,940.13	£2,328.16	£2,716.19
Cilmery	£735.05	£857.55	£980.06	£1,102.57	£1,347.59	£1,592.60	£1,837.62	£2,205.14	£2,572.66
Cray	£746.64	£871.08	£995.52	£1,119.96	£1,368.84	£1,617.72	£1,866.60	£2,239.92	£2,613.24
Crickhowell	£755.27	£881.14	£1,007.02	£1,132.90	£1,384.66	£1,636.41	£1,888.17	£2,265.80	£2,643.43
Duhonw	£731.68	£853.63	£975.57	£1,097.52	£1,341.41	£1,585.31	£1,829.20	£2,195.04	£2,560.88
Erwood	£734.37	£856.77	£979.16	£1,101.56	£1,346.35	£1,591.14	£1,835.93	£2,203.12	£2,570.31
Felinfach	£738.87	£862.01	£985.16	£1,108.30	£1,354.59	£1,600.88	£1,847.17	£2,216.60	£2,586.03
Glyn Tarrell	£744.62	£868.72	£992.83	£1,116.93	£1,365.14	£1,613.34	£1,861.55	£2,233.86	£2,606.17
Gwernyfed	£739.39	£862.63	£985.86	£1,109.09	£1,355.55	£1,602.02	£1,848.48	£2,218.18	£2,587.88
Hay-on-Wye	£758.49	£884.91	£1,011.32	£1,137.74	£1,390.57	£1,643.40	£1,896.23	£2,275.48	£2,654.73
Honddu Isaf	£727.37	£848.60	£969.83	£1,091.06	£1,333.52	£1,575.98	£1,818.43	£2,182.12	£2,545.81
Llanafan-fawr	£735.09	£857.60	£980.12	£1,102.63	£1,347.66	£1,592.69	£1,837.72	£2,205.26	£2,572.80
Llandaw	£740.82	£864.29	£987.76	£1,111.23	£1,358.17	£1,605.11	£1,852.05	£2,222.46	£2,592.87
Cwmdu and District	£738.67	£861.79	£984.90	£1,108.01	£1,354.23	£1,600.46	£1,846.68	£2,216.02	£2,585.36
Llanfrynach	£752.21	£877.58	£1,002.95	£1,128.32	£1,379.06	£1,629.80	£1,880.53	£2,256.64	£2,632.75
Llangammarch	£744.45	£868.53	£992.60	£1,116.68	£1,364.83	£1,612.98	£1,861.13	£2,233.36	£2,605.59
Llangatock	£748.65	£873.42	£998.20	£1,122.97	£1,372.52	£1,622.07	£1,871.62	£2,245.94	£2,620.26
Llangorse	£741.77	£865.39	£989.02	£1,112.65	£1,359.91	£1,607.16	£1,854.42	£2,225.30	£2,596.18
Llangynidr	£736.12	£858.81	£981.49	£1,104.18	£1,349.55	£1,594.93	£1,840.30	£2,208.36	£2,576.42
Llanigon	£736.01	£858.68	£981.35	£1,104.02	£1,349.36	£1,594.70	£1,840.03	£2,208.04	£2,576.05
Llanwrthwl	£740.00	£863.33	£986.67	£1,110.00	£1,356.67	£1,603.33	£1,850.00	£2,220.00	£2,590.00
Llanwrtyd Wells	£754.80	£880.60	£1,006.40	£1,132.20	£1,383.80	£1,635.40	£1,887.00	£2,264.40	£2,641.80
Llywel	£743.35	£867.25	£991.14	£1,115.03	£1,362.81	£1,610.60	£1,858.38	£2,230.06	£2,601.74
Maescar	£747.38	£871.94	£996.51	£1,121.07	£1,370.20	£1,619.32	£1,868.45	£2,242.14	£2,615.83
Merthyr Cynog	£744.97	£869.13	£993.29	£1,117.45	£1,365.77	£1,614.09	£1,862.42	£2,234.90	£2,607.38
Talgarth	£775.84	£905.15	£1,034.45	£1,163.76	£1,422.37	£1,680.99	£1,939.60	£2,327.52	£2,715.44
Talybont-on-Usk	£749.02	£873.86	£998.69	£1,123.53	£1,373.20	£1,622.88	£1,872.55	£2,247.06	£2,621.57
Tawe Uchaf	£749.24	£874.11	£998.99	£1,123.86	£1,373.61	£1,623.35	£1,873.10	£2,247.72	£2,622.34
Trallong	£734.34	£856.73	£979.12	£1,101.51	£1,346.29	£1,591.07	£1,835.85	£2,203.02	£2,570.19
Treflys	£737.19	£860.05	£982.92	£1,105.78	£1,351.51	£1,597.24	£1,842.97	£2,211.56	£2,580.15
Vale of Grwyney	£736.35	£859.07	£981.80	£1,104.52	£1,349.97	£1,595.42	£1,840.87	£2,209.04	£2,577.21
Yscir	£736.71	£859.49	£982.28	£1,105.06	£1,350.63	£1,596.20	£1,841.77	£2,210.12	£2,578.47
Ystradfellte	£750.62	£875.72	£1,000.83	£1,125.93	£1,376.14	£1,626.34	£1,876.55	£2,251.86	£2,627.17
Ystradgynlais	£782.59	£913.03	£1,043.46	£1,173.89	£1,434.75	£1,695.62	£1,956.48	£2,347.78	£2,739.08

MONTGOMERYSHIRE

COMMUNITY

COUNTY & COMMUNITY

COUNCIL TAX BANDS

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>
Aberhafesp	£737.37	£860.27	£983.16	£1,106.06	£1,351.85	£1,597.64	£1,843.43	£2,212.12	£2,580.81
Banwy	£739.30	£862.52	£985.73	£1,108.95	£1,355.38	£1,601.82	£1,848.25	£2,217.90	£2,587.55
Bausley with Criggion	£737.93	£860.91	£983.90	£1,106.89	£1,352.87	£1,598.84	£1,844.82	£2,213.78	£2,582.74
Berriew	£737.01	£859.85	£982.68	£1,105.52	£1,351.19	£1,596.86	£1,842.53	£2,211.04	£2,579.55
Betws Cedewain	£744.93	£869.09	£993.24	£1,117.40	£1,365.71	£1,614.02	£1,862.33	£2,234.80	£2,607.27
Cadfarch	£734.52	£856.94	£979.36	£1,101.78	£1,346.62	£1,591.46	£1,836.30	£2,203.56	£2,570.82
Caersws	£743.73	£867.69	£991.64	£1,115.60	£1,363.51	£1,611.42	£1,859.33	£2,231.20	£2,603.07
Carno	£749.56	£874.49	£999.41	£1,124.34	£1,374.19	£1,624.05	£1,873.90	£2,248.68	£2,623.46
Carreghofa	£752.85	£878.33	£1,003.80	£1,129.28	£1,380.23	£1,631.18	£1,882.13	£2,258.56	£2,634.99
Castle Caereinion	£744.03	£868.03	£992.04	£1,116.04	£1,364.05	£1,612.06	£1,860.07	£2,232.08	£2,604.09
Churchstoke	£741.30	£864.85	£988.40	£1,111.95	£1,359.05	£1,606.15	£1,853.25	£2,223.90	£2,594.55
Dwyrhiw	£736.31	£859.02	£981.74	£1,104.46	£1,349.90	£1,595.33	£1,840.77	£2,208.92	£2,577.07
Fordeu	£747.33	£871.89	£996.44	£1,121.00	£1,370.11	£1,619.22	£1,868.33	£2,242.00	£2,615.67
Glantwymyn	£737.27	£860.15	£983.03	£1,105.91	£1,351.67	£1,597.43	£1,843.18	£2,211.82	£2,580.46
Guilfield	£735.99	£858.65	£981.32	£1,103.98	£1,349.31	£1,594.64	£1,839.97	£2,207.96	£2,575.95
Kernudd	£745.41	£869.65	£993.88	£1,118.12	£1,366.59	£1,615.06	£1,863.53	£2,236.24	£2,608.95
Llanbryn-mair	£741.11	£864.63	£988.15	£1,111.67	£1,358.71	£1,605.75	£1,852.78	£2,223.34	£2,593.90
Llanidloes	£743.28	£867.16	£991.04	£1,114.92	£1,362.68	£1,610.44	£1,858.20	£2,229.84	£2,601.48
Llandrinio and Arddleen	£741.37	£864.94	£988.50	£1,112.06	£1,359.18	£1,606.31	£1,853.43	£2,224.12	£2,594.81
Llandysilio	£746.18	£870.54	£994.91	£1,119.27	£1,368.00	£1,616.72	£1,865.45	£2,238.54	£2,611.63
Abermule with Llandyssil	£751.95	£877.28	£1,002.60	£1,127.93	£1,378.58	£1,629.23	£1,879.88	£2,255.86	£2,631.84
Llanerfyl	£739.07	£862.24	£985.42	£1,108.60	£1,354.96	£1,601.31	£1,847.67	£2,217.20	£2,586.73
LLanfair Caereinion	£752.43	£877.84	£1,003.24	£1,128.65	£1,379.46	£1,630.27	£1,881.08	£2,257.30	£2,633.52
Llanfechain	£741.91	£865.56	£989.21	£1,112.86	£1,360.16	£1,607.46	£1,854.77	£2,225.72	£2,596.67
Llanfihangel	£743.95	£867.95	£991.94	£1,115.93	£1,363.91	£1,611.90	£1,859.88	£2,231.86	£2,603.84
Llanfyllin	£745.13	£869.32	£993.51	£1,117.70	£1,366.08	£1,614.46	£1,862.83	£2,235.40	£2,607.97
Llangedwyn	£733.50	£855.75	£978.00	£1,100.25	£1,344.75	£1,589.25	£1,833.75	£2,200.50	£2,567.25
Llangurig	£731.83	£853.80	£975.77	£1,097.74	£1,341.68	£1,585.62	£1,829.57	£2,195.48	£2,561.39
Llangyniew	£739.04	£862.21	£985.39	£1,108.56	£1,354.91	£1,601.25	£1,847.60	£2,217.12	£2,586.64
Llangynog	£747.19	£871.73	£996.26	£1,120.79	£1,369.85	£1,618.92	£1,867.98	£2,241.58	£2,615.18
Llanidloes	£799.35	£932.58	£1,065.80	£1,199.03	£1,465.48	£1,731.93	£1,998.38	£2,398.06	£2,797.74
Llanidloes Without	£741.59	£865.19	£988.79	£1,112.39	£1,359.59	£1,606.79	£1,853.98	£2,224.78	£2,595.58
Llanrhaeadr ym Mochnant	£736.99	£859.83	£982.66	£1,105.49	£1,351.15	£1,596.82	£1,842.48	£2,210.98	£2,579.48
Llansantffraid	£742.00	£865.67	£989.33	£1,113.00	£1,360.33	£1,607.67	£1,855.00	£2,226.00	£2,597.00

COMMUNITYCOUNTY & COMMUNITYCOUNCIL TAX BANDS

	A	B	C	D	E	F	G	H	I
Llansilin	£730.53	£852.29	£974.04	£1,095.80	£1,339.31	£1,582.82	£1,826.33	£2,191.60	£2,556.87
Llanwddyn	£750.85	£875.99	£1,001.13	£1,126.27	£1,376.55	£1,626.83	£1,877.12	£2,252.54	£2,627.96
Machynlleth	£798.67	£931.79	£1,064.90	£1,198.01	£1,464.23	£1,730.46	£1,996.68	£2,396.02	£2,795.36
Manafon	£740.12	£863.47	£986.83	£1,110.18	£1,356.89	£1,603.59	£1,850.30	£2,220.36	£2,590.42
Meifod	£734.54	£856.96	£979.39	£1,101.81	£1,346.66	£1,591.50	£1,836.35	£2,203.62	£2,570.89
Mochdre with Penstrowed	£742.37	£866.09	£989.82	£1,113.55	£1,361.01	£1,608.46	£1,855.92	£2,227.10	£2,598.28
Montgomery	£750.45	£875.52	£1,000.60	£1,125.67	£1,375.82	£1,625.97	£1,876.12	£2,251.34	£2,626.56
Newtown & Llanllwchaiarn	£778.90	£908.72	£1,038.53	£1,168.35	£1,427.98	£1,687.62	£1,947.25	£2,336.70	£2,726.15
Pen Y Bont Fawr	£749.99	£874.99	£999.99	£1,124.99	£1,374.99	£1,624.99	£1,874.98	£2,249.98	£2,624.98
Trefglwys	£728.63	£850.07	£971.51	£1,092.95	£1,335.83	£1,578.71	£1,821.58	£2,185.90	£2,550.22
Tregynon	£742.06	£865.74	£989.41	£1,113.09	£1,360.44	£1,607.80	£1,855.15	£2,226.18	£2,597.21
Trewern	£744.04	£868.05	£992.05	£1,116.06	£1,364.07	£1,612.09	£1,860.10	£2,232.12	£2,604.14
Welshpool	£808.19	£942.88	£1,077.58	£1,212.28	£1,481.68	£1,751.07	£2,020.47	£2,424.56	£2,828.65

RADNORSHIRE

COMMUNITY

COUNTY & COMMUNITY

COUNCIL TAX BANDS

	A	B	C	D	E	F	G	H	I
Abbeycwmhir	£739.35	£862.57	£985.80	£1,109.02	£1,355.47	£1,601.92	£1,848.37	£2,218.04	£2,587.71
Aberedw	£731.21	£853.07	£974.94	£1,096.81	£1,340.55	£1,584.28	£1,828.02	£2,193.62	£2,559.22
Beguildy	£742.04	£865.71	£989.39	£1,113.06	£1,360.41	£1,607.75	£1,855.10	£2,226.12	£2,597.14
Clyro	£733.23	£855.43	£977.64	£1,099.84	£1,344.25	£1,588.66	£1,833.07	£2,199.68	£2,566.29
Disserth & Trecoed	£739.45	£862.70	£985.94	£1,109.18	£1,355.66	£1,602.15	£1,848.63	£2,218.36	£2,588.09
Gladestry	£735.33	£857.89	£980.44	£1,103.00	£1,348.11	£1,593.22	£1,838.33	£2,206.00	£2,573.67
Glasbury	£742.57	£866.34	£990.10	£1,113.86	£1,361.38	£1,608.91	£1,856.43	£2,227.72	£2,599.01
Glascwm	£735.28	£857.83	£980.37	£1,102.92	£1,348.01	£1,593.11	£1,838.20	£2,205.84	£2,573.48
Knighton	£755.39	£881.28	£1,007.18	£1,133.08	£1,384.88	£1,636.67	£1,888.47	£2,266.16	£2,643.85
Llanbadarn Fawr	£736.69	£859.47	£982.25	£1,105.03	£1,350.59	£1,596.15	£1,841.72	£2,210.06	£2,578.40
Llanbadarn Fynydd	£742.04	£865.71	£989.39	£1,113.06	£1,360.41	£1,607.75	£1,855.10	£2,226.12	£2,597.14
Llanbister	£735.93	£858.58	£981.24	£1,103.89	£1,349.20	£1,594.51	£1,839.82	£2,207.78	£2,575.74
Llanddewi Ystradenny	£733.33	£855.55	£977.77	£1,099.99	£1,344.43	£1,588.87	£1,833.32	£2,199.98	£2,566.64
Llanddod Wells	£768.91	£897.07	£1,025.22	£1,153.37	£1,409.67	£1,665.98	£1,922.28	£2,306.74	£2,691.20
Llandudw	£735.46	£858.04	£980.61	£1,103.19	£1,348.34	£1,593.50	£1,838.65	£2,206.38	£2,574.11
Llanfihangel Rhydithon	£741.56	£865.15	£988.75	£1,112.34	£1,359.53	£1,606.71	£1,853.90	£2,224.68	£2,595.46
Llangunllo	£735.17	£857.70	£980.23	£1,102.76	£1,347.82	£1,592.88	£1,837.93	£2,205.52	£2,573.11
Llanyre	£740.04	£863.38	£986.72	£1,110.06	£1,356.74	£1,603.42	£1,850.10	£2,220.12	£2,590.14
Nantmel	£739.73	£863.01	£986.30	£1,109.59	£1,356.17	£1,602.74	£1,849.32	£2,219.18	£2,589.04
New Radnor	£743.37	£867.27	£991.16	£1,115.06	£1,362.85	£1,610.64	£1,858.43	£2,230.12	£2,601.81
Old Radnor	£737.31	£860.20	£983.08	£1,105.97	£1,351.74	£1,597.51	£1,843.28	£2,211.94	£2,580.60
Painscastle	£730.69	£852.48	£974.26	£1,096.04	£1,339.60	£1,583.17	£1,826.73	£2,192.08	£2,557.43
Penybont & Llandegley	£740.55	£863.98	£987.40	£1,110.83	£1,357.68	£1,604.53	£1,851.38	£2,221.66	£2,591.94
Presteigne & Norton	£756.04	£882.05	£1,008.05	£1,134.06	£1,386.07	£1,638.09	£1,890.10	£2,268.12	£2,646.14
Rhayader	£751.43	£876.67	£1,001.91	£1,127.15	£1,377.63	£1,628.11	£1,878.58	£2,254.30	£2,630.02
St Harmon	£742.47	£866.21	£989.96	£1,113.70	£1,361.19	£1,608.68	£1,856.17	£2,227.40	£2,598.63
Whitton	£733.37	£855.60	£977.83	£1,100.06	£1,344.52	£1,588.98	£1,833.43	£2,200.12	£2,566.81

being the amounts given by multiplying the amounts at 3(h) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular Valuation Band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different Valuation Bands.

- 2.2. THAT it be noted for the year 2016/2017 the Police and Crime Commissioner for Dyfed-Powys Police has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of dwellings shown below:

Valuation Bands

A	B	C	D	E	F	G	H	I
£ 133.38	£ 155.61	£ 177.84	£ 200.07	£ 244.53	£ 288.99	£ 333.45	£ 400.14	£ 466.83

- 2.3. THAT, having calculated the aggregate in each case of the amounts at 2.1(i) and 2.2 above, the Council in accordance with Section 30 (2) of the Local Government Finance Act, 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2016/2017 for each of the categories of dwellings shown below.

BRECKNOCKSHIRE/SIR FRYCHEINIOG

COMMUNITY/CYMUNED

COUNCIL TAX BANDS/TRETH CYNGOR BAND

	A	B	C	D	E	F	G	H	I
Brecon	£915.65	£1,068.26	£1,220.87	£1,373.48	£1,678.70	£1,983.92	£2,289.13	£2,746.96	£3,204.79
Bronllys	£878.92	£1,025.41	£1,171.89	£1,318.38	£1,611.35	£1,904.33	£2,197.30	£2,636.76	£3,076.22
Builth Wells	£909.43	£1,061.01	£1,212.58	£1,364.15	£1,667.29	£1,970.44	£2,273.58	£2,728.30	£3,183.02
Cilmery	£868.43	£1,013.16	£1,157.90	£1,302.64	£1,592.12	£1,881.59	£2,171.07	£2,605.28	£3,039.49
Cray	£880.02	£1,026.69	£1,173.36	£1,320.03	£1,613.37	£1,906.71	£2,200.05	£2,640.06	£3,080.07
Crickhowell	£888.65	£1,036.75	£1,184.86	£1,332.97	£1,629.19	£1,925.40	£2,221.62	£2,665.94	£3,110.26
Duhonw	£865.06	£1,009.24	£1,153.41	£1,297.59	£1,585.94	£1,874.30	£2,162.65	£2,595.18	£3,027.71
Erwood	£867.75	£1,012.38	£1,157.00	£1,301.63	£1,590.88	£1,880.13	£2,169.38	£2,603.26	£3,037.14
Felinfach	£872.25	£1,017.62	£1,163.00	£1,308.37	£1,599.12	£1,889.87	£2,180.62	£2,616.74	£3,052.86
Glyn Tarrell	£878.00	£1,024.33	£1,170.67	£1,317.00	£1,609.67	£1,902.33	£2,195.00	£2,634.00	£3,073.00
Gwernfyed	£872.77	£1,018.24	£1,163.70	£1,309.16	£1,600.08	£1,891.01	£2,181.93	£2,618.32	£3,054.71
Hay-on-Wye	£891.87	£1,040.52	£1,189.16	£1,337.81	£1,635.10	£1,932.39	£2,229.68	£2,675.62	£3,121.56
Honddu Isaf	£860.75	£1,004.21	£1,147.67	£1,291.13	£1,578.05	£1,864.97	£2,151.88	£2,582.26	£3,012.64
Llanafanfawr	£868.47	£1,013.21	£1,157.96	£1,302.70	£1,592.19	£1,881.68	£2,171.17	£2,605.40	£3,039.63
Llandalew	£874.20	£1,019.90	£1,165.60	£1,311.30	£1,602.70	£1,894.10	£2,185.50	£2,622.60	£3,059.70
Cwmdu and District	£872.05	£1,017.40	£1,162.74	£1,308.08	£1,598.76	£1,889.45	£2,180.13	£2,616.16	£3,052.19
Llanidloes	£885.59	£1,033.19	£1,180.79	£1,328.39	£1,623.59	£1,918.79	£2,213.98	£2,656.78	£3,099.58
Llangammarch	£877.83	£1,024.14	£1,170.44	£1,316.75	£1,609.36	£1,901.97	£2,194.58	£2,633.50	£3,072.42
Llangattock	£882.03	£1,029.03	£1,176.04	£1,323.04	£1,617.05	£1,911.06	£2,205.07	£2,646.08	£3,087.09
Llangorse	£875.15	£1,021.00	£1,166.86	£1,312.72	£1,604.44	£1,896.15	£2,187.87	£2,625.44	£3,063.01
Llangynidr	£869.50	£1,014.42	£1,159.33	£1,304.25	£1,594.08	£1,883.92	£2,173.75	£2,608.50	£3,043.25
Llanigon	£869.39	£1,014.29	£1,159.19	£1,304.09	£1,593.89	£1,883.69	£2,173.48	£2,608.18	£3,042.88
Llanwrthwl	£873.38	£1,018.94	£1,164.51	£1,310.07	£1,601.20	£1,892.32	£2,183.45	£2,620.14	£3,056.83
Llanwrtyd Wells	£888.18	£1,036.21	£1,184.24	£1,332.27	£1,628.33	£1,924.39	£2,220.45	£2,664.54	£3,108.63
Llywel	£876.73	£1,022.86	£1,168.98	£1,315.10	£1,607.34	£1,899.59	£2,191.83	£2,630.20	£3,068.57
Maescar	£880.76	£1,027.55	£1,174.35	£1,321.14	£1,614.73	£1,908.31	£2,201.90	£2,642.28	£3,082.66
Merthyr Cynog	£878.35	£1,024.74	£1,171.13	£1,317.52	£1,610.30	£1,903.08	£2,195.87	£2,635.04	£3,074.21
Talgarth	£909.22	£1,060.76	£1,212.29	£1,363.83	£1,666.90	£1,969.98	£2,273.05	£2,727.66	£3,182.27
Talybont-on-Usk	£882.40	£1,029.47	£1,176.53	£1,323.60	£1,617.73	£1,911.87	£2,206.00	£2,647.20	£3,088.40
Tawe Uchaf	£882.62	£1,029.72	£1,176.83	£1,323.93	£1,618.14	£1,912.34	£2,206.55	£2,647.86	£3,089.17
Trallong	£867.72	£1,012.34	£1,156.96	£1,301.58	£1,590.82	£1,880.06	£2,169.30	£2,603.16	£3,037.02
Treflys	£870.57	£1,015.66	£1,160.76	£1,305.85	£1,596.04	£1,886.23	£2,176.42	£2,611.70	£3,046.98
Vale of Grwyney	£869.73	£1,014.68	£1,159.64	£1,304.59	£1,594.50	£1,884.41	£2,174.32	£2,609.18	£3,044.04
Yscir	£870.09	£1,015.10	£1,160.12	£1,305.13	£1,595.16	£1,885.19	£2,175.22	£2,610.26	£3,045.30
Ystradfellte	£884.00	£1,031.33	£1,178.67	£1,326.00	£1,620.67	£1,915.33	£2,210.00	£2,652.00	£3,094.00
Ystradgynlais	£915.97	£1,068.64	£1,221.30	£1,373.96	£1,679.28	£1,984.61	£2,289.93	£2,747.92	£3,205.91

MONTGOMERYSHIRE/SIR DREFALDWYN

COMMUNITY/CYMUNED

COUNCIL TAX BANDS/TRETH CYNGOR BAND

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>
Aberhafesp	£870.75	£1,015.88	£1,161.00	£1,306.13	£1,596.38	£1,886.63	£2,176.88	£2,612.26	£3,047.64
Banwy	£872.68	£1,018.13	£1,163.57	£1,309.02	£1,599.91	£1,890.81	£2,181.70	£2,618.04	£3,054.38
Bausley with Criggion	£871.31	£1,016.52	£1,161.74	£1,306.96	£1,597.40	£1,887.83	£2,178.27	£2,613.92	£3,049.57
Berriew	£870.39	£1,015.46	£1,160.52	£1,305.59	£1,595.72	£1,885.85	£2,175.98	£2,611.18	£3,046.38
Betws Cedewain	£878.31	£1,024.70	£1,171.08	£1,317.47	£1,610.24	£1,903.01	£2,195.78	£2,634.94	£3,074.10
Cadfarch	£867.90	£1,012.55	£1,157.20	£1,301.85	£1,591.15	£1,880.45	£2,169.75	£2,603.70	£3,037.65
Caersŵs	£877.11	£1,023.30	£1,169.48	£1,315.67	£1,608.04	£1,900.41	£2,192.78	£2,631.34	£3,069.90
Carreghofa	£882.94	£1,030.10	£1,177.25	£1,324.41	£1,618.72	£1,913.04	£2,207.35	£2,648.82	£3,090.29
Castle Caereinion	£877.41	£1,023.64	£1,169.88	£1,316.11	£1,608.58	£1,901.05	£2,193.52	£2,632.22	£3,070.92
Churchstoke	£874.68	£1,020.46	£1,166.24	£1,312.02	£1,603.58	£1,895.14	£2,186.70	£2,624.04	£3,061.38
Dwyrhiw	£869.69	£1,014.63	£1,159.58	£1,304.53	£1,594.43	£1,884.32	£2,174.22	£2,609.06	£3,043.90
Fordes	£880.71	£1,027.50	£1,174.28	£1,321.07	£1,614.64	£1,908.21	£2,201.78	£2,642.14	£3,082.50
Glantwymyn	£870.65	£1,015.76	£1,160.87	£1,305.98	£1,596.20	£1,886.42	£2,176.63	£2,611.96	£3,047.29
Guilsfield	£869.37	£1,014.26	£1,159.16	£1,304.05	£1,593.84	£1,883.63	£2,173.42	£2,608.10	£3,042.78
Kerry	£878.79	£1,025.26	£1,171.72	£1,318.19	£1,611.12	£1,904.05	£2,196.98	£2,636.38	£3,075.78
Llanbrynmair	£874.49	£1,020.24	£1,165.99	£1,311.74	£1,603.24	£1,894.74	£2,186.23	£2,623.48	£3,060.73
Llandinam	£876.66	£1,022.77	£1,168.88	£1,314.99	£1,607.21	£1,899.43	£2,191.65	£2,629.98	£3,068.31
Llandrinio and Arddleen	£874.75	£1,020.55	£1,166.34	£1,312.13	£1,603.71	£1,895.30	£2,186.88	£2,624.26	£3,061.64
Llandysilio	£879.56	£1,026.15	£1,172.75	£1,319.34	£1,612.53	£1,905.71	£2,198.90	£2,638.68	£3,078.46
Abermule with Llandyssil	£885.33	£1,032.89	£1,180.44	£1,328.00	£1,623.11	£1,918.22	£2,213.33	£2,656.00	£3,098.67
Llanerfyl	£872.45	£1,017.85	£1,163.26	£1,308.67	£1,599.49	£1,890.30	£2,181.12	£2,617.34	£3,053.56
LLanfair Caereinion	£885.81	£1,033.45	£1,181.08	£1,328.72	£1,623.99	£1,919.26	£2,214.53	£2,657.44	£3,100.35
Llanfechain	£875.29	£1,021.17	£1,167.05	£1,312.93	£1,604.69	£1,896.45	£2,188.22	£2,625.86	£3,063.50
Llanfihangel	£877.33	£1,023.56	£1,169.78	£1,316.00	£1,608.44	£1,900.89	£2,193.33	£2,632.00	£3,070.67
Llanfyllin	£878.51	£1,024.93	£1,171.35	£1,317.77	£1,610.61	£1,903.45	£2,196.28	£2,635.54	£3,074.80
Llangedwyn	£866.88	£1,011.36	£1,155.84	£1,300.32	£1,589.28	£1,878.24	£2,167.20	£2,600.64	£3,034.08
Llangurig	£865.21	£1,009.41	£1,153.61	£1,297.81	£1,586.21	£1,874.61	£2,163.02	£2,595.62	£3,028.22
Llangyniew	£872.42	£1,017.82	£1,163.23	£1,308.63	£1,599.44	£1,890.24	£2,181.05	£2,617.26	£3,053.47
Llangynog	£880.57	£1,027.34	£1,174.10	£1,320.86	£1,614.38	£1,907.91	£2,201.43	£2,641.72	£3,082.01
Llanidloes	£932.73	£1,088.19	£1,243.64	£1,399.10	£1,710.01	£2,020.92	£2,331.83	£2,798.20	£3,264.57
Llanidloes Without	£874.97	£1,020.80	£1,166.63	£1,312.46	£1,604.12	£1,895.78	£2,187.43	£2,624.92	£3,062.41

COMMUNITY/CYMUNED**COUNCIL TAX BANDS/TRETH CYNGOR BAND**

	A	B	C	D	E	F	G	H	I
Llanrhaeadr ym Mochnant	£870.37	£1,015.44	£1,160.50	£1,305.56	£1,595.68	£1,885.81	£2,175.93	£2,611.12	£3,046.31
Llansantffraid	£875.38	£1,021.28	£1,167.17	£1,313.07	£1,604.86	£1,896.66	£2,188.45	£2,626.14	£3,063.83
Llansilin	£863.91	£1,007.90	£1,151.88	£1,295.87	£1,583.84	£1,871.81	£2,159.78	£2,591.74	£3,023.70
Llanwddyn	£884.23	£1,031.60	£1,178.97	£1,326.34	£1,621.08	£1,915.82	£2,210.57	£2,652.68	£3,094.79
Machynlleth	£932.05	£1,087.40	£1,242.74	£1,398.08	£1,708.76	£2,019.45	£2,330.13	£2,796.16	£3,262.19
Manafon	£873.50	£1,019.08	£1,164.67	£1,310.25	£1,601.42	£1,892.58	£2,183.75	£2,620.50	£3,057.25
Meifod	£867.92	£1,012.57	£1,157.23	£1,301.88	£1,591.19	£1,880.49	£2,169.80	£2,603.76	£3,037.72
Mochdre with Penstrowed	£875.75	£1,021.70	£1,167.66	£1,313.62	£1,605.54	£1,897.45	£2,189.37	£2,627.24	£3,065.11
Montgomery	£883.83	£1,031.13	£1,178.44	£1,325.74	£1,620.35	£1,914.96	£2,209.57	£2,651.48	£3,093.39
Newtown & Llanllwchaiarn	£912.28	£1,064.33	£1,216.37	£1,368.42	£1,672.51	£1,976.61	£2,280.70	£2,736.84	£3,192.98
Pen Y Bont Fawr	£883.37	£1,030.60	£1,177.83	£1,325.06	£1,619.52	£1,913.98	£2,208.43	£2,650.12	£3,091.81
Trefeglwys	£862.01	£1,005.68	£1,149.35	£1,293.02	£1,580.36	£1,867.70	£2,155.03	£2,586.04	£3,017.05
Tregynon	£875.44	£1,021.35	£1,167.25	£1,313.16	£1,604.97	£1,896.79	£2,188.60	£2,626.32	£3,064.04
Trewern	£877.42	£1,023.66	£1,169.89	£1,316.13	£1,608.60	£1,901.08	£2,193.55	£2,632.26	£3,070.97
Welshpool	£941.57	£1,098.49	£1,255.42	£1,412.35	£1,726.21	£2,040.06	£2,353.92	£2,824.70	£3,295.48

RADNORSHIRE/SIR FAESYFED

COMMUNITY/CYMUNED

COUNCIL TAX BANDS/TRETH CYNGOR BAND

	A	B	C	D	E	F	G	H	I
Abbeycwmhir	£872.73	£1,018.18	£1,163.64	£1,309.09	£1,600.00	£1,890.91	£2,181.82	£2,618.18	£3,054.54
Aberedw	£864.59	£1,008.68	£1,152.78	£1,296.88	£1,585.08	£1,873.27	£2,161.47	£2,593.76	£3,026.05
Beguildy	£875.42	£1,021.32	£1,167.23	£1,313.13	£1,604.94	£1,896.74	£2,188.55	£2,626.26	£3,063.97
Clyro	£866.61	£1,011.04	£1,155.48	£1,299.91	£1,588.78	£1,877.65	£2,166.52	£2,599.82	£3,033.12
Disserseth & Trecoed	£872.83	£1,018.31	£1,163.78	£1,309.25	£1,600.19	£1,891.14	£2,182.08	£2,618.50	£3,054.92
Gladestry	£868.71	£1,013.50	£1,158.28	£1,303.07	£1,592.64	£1,882.21	£2,171.78	£2,606.14	£3,040.50
Glasbury	£875.95	£1,021.95	£1,167.94	£1,313.93	£1,605.91	£1,897.90	£2,189.88	£2,627.86	£3,065.84
Glascwm	£868.66	£1,013.44	£1,158.21	£1,302.99	£1,592.54	£1,882.10	£2,171.65	£2,605.98	£3,040.31
Knighton	£888.77	£1,036.89	£1,185.02	£1,333.15	£1,629.41	£1,925.66	£2,221.92	£2,666.30	£3,110.68
Llanbadarn Fawr	£870.07	£1,015.08	£1,160.09	£1,305.10	£1,595.12	£1,885.14	£2,175.17	£2,610.20	£3,045.23
Llanbadarn Fynydd	£875.42	£1,021.32	£1,167.23	£1,313.13	£1,604.94	£1,896.74	£2,188.55	£2,626.26	£3,063.97
Llanbister	£869.31	£1,014.19	£1,159.08	£1,303.96	£1,593.73	£1,883.50	£2,173.27	£2,607.92	£3,042.57
Llanddewi Ystradenny	£866.71	£1,011.16	£1,155.61	£1,300.06	£1,588.96	£1,877.86	£2,166.77	£2,600.12	£3,033.47
Llandindod Wells	£902.29	£1,052.68	£1,203.06	£1,353.44	£1,654.20	£1,954.97	£2,255.73	£2,706.88	£3,158.03
Llanewydd	£868.84	£1,013.65	£1,158.45	£1,303.26	£1,592.87	£1,882.49	£2,172.10	£2,606.52	£3,040.94
Llanfihangel Rhydithon	£874.94	£1,020.76	£1,166.59	£1,312.41	£1,604.06	£1,895.70	£2,187.35	£2,624.82	£3,062.29
Llangunllo	£868.55	£1,013.31	£1,158.07	£1,302.83	£1,592.35	£1,881.87	£2,171.38	£2,605.66	£3,039.94
Llanyre	£873.42	£1,018.99	£1,164.56	£1,310.13	£1,601.27	£1,892.41	£2,183.55	£2,620.26	£3,056.97
Nantmel	£873.11	£1,018.62	£1,164.14	£1,309.66	£1,600.70	£1,891.73	£2,182.77	£2,619.32	£3,055.87
New Radnor	£876.75	£1,022.88	£1,169.00	£1,315.13	£1,607.38	£1,899.63	£2,191.88	£2,630.26	£3,068.64
Old Radnor	£870.69	£1,015.81	£1,160.92	£1,306.04	£1,596.27	£1,886.50	£2,176.73	£2,612.08	£3,047.43
Painscastle	£864.07	£1,008.09	£1,152.10	£1,296.11	£1,584.13	£1,872.16	£2,160.18	£2,592.22	£3,024.26
Penybont & Llandegley	£873.93	£1,019.59	£1,165.24	£1,310.90	£1,602.21	£1,893.52	£2,184.83	£2,621.80	£3,058.77
Presteigne & Norton	£889.42	£1,037.66	£1,185.89	£1,334.13	£1,630.60	£1,927.08	£2,223.55	£2,668.26	£3,112.97
Rhayader	£884.81	£1,032.28	£1,179.75	£1,327.22	£1,622.16	£1,917.10	£2,212.03	£2,654.44	£3,096.85
St Harmon	£875.85	£1,021.82	£1,167.80	£1,313.77	£1,605.72	£1,897.67	£2,189.62	£2,627.54	£3,065.46
Whitton	£866.75	£1,011.21	£1,155.67	£1,300.13	£1,589.05	£1,877.97	£2,166.88	£2,600.26	£3,033.64

3.0 Powys Change Plan

3.1 There are no known implications to the Powys change plan.

4.0 Options Considered/Available

4.1 Option One- The calculations contained within 2.1 and 2.3 above be Approved.

5.0 Preferred Choice and Reasons

5.1 Option One – to meet legal requirements of the Council to approve the Council Tax resolution and to set the Council Tax charges.

6.0 Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc

6.1 There is no impact on the above.

7.0 Children and Young People's Impact Statement - Safeguarding and Wellbeing

7.1 There is no impact on children and young people.

8.0 Local Member(s)

8.1 All properties will be subject to the Council Tax charge, the amount of charge will be determined by the location of the property and the relevant property band.

9.0 Other Front Line Services

9.1 There is no impact on front line services

10.0 Support Services (Legal, Finance, HR, ICT, BPU)

10.1 Legal Services commented “the Legal Service support the preferred option proposed in this report”

10.2 The Capital and Financial Planning Accountant has helped to complete this report and the Council Tax for the authority of 4.25% will be set in line with the assumptions and calculations set out the FRM which was approved by Council on 25th February 2016.

11.0 Local Service Board/Partnerships/Stakeholders etc

11.1 There is no impact on the LSB, a partner body/organisation or stakeholders.

12.0 Corporate Communications

12.1 Communications commented: the report is of public and service user interest and requires news release and social media activity to publicise the decision.

13.0 Statutory Officers

13.1 The Strategic Director Resources (Section 151 Officer) confirms that the report meets the statutory requirement to set Council Tax as required by the Local Government Finance Act 1992.”

13.2 The Solicitor to the Council (Monitoring Officer) has commented as follows: “In accordance with Section 30(6) of the Local Government Finance Act 1992, the Council is required to set the Council tax for the next financial year on or before 11th March.”

14.0 Members’ Interests

14.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

15.0 Future Status of the Report

15.1 Members are invited to consider the future status of this report and whether it can be made available to the press and public either immediately following the meeting or at some specified point in the future.

Recommendation:	Reason for Recommendation:
<p>1. THAT the amounts contained in paragraph 2.1 above be accepted by the Council for the year 2016/2017 in accordance with Sections 32 to 36 of the Local Government Finance Act, 1992</p> <p>2. THAT, the Council in accordance with Section 30 (2) of the Local Government Finance Act, 1992, hereby sets the amounts contained in paragraph 2.3 as the amounts of Council Tax for the year 2016/2017 for each of the categories of dwellings shown.</p>	<p>To meet the legal requirements of the Council to set an amount of Council Tax.</p>

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Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	
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Person(s) To Implement Decision:	David Powell
Date By When Decision To Be Implemented:	1st April 2016

Contact Officer Name:	Tel:	Fax:	Email:
A M Griffiths	01874 623309		andrew.griffiths@powys.gov.uk

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

CC31- 2016

CYNGOR SIR POWYS COUNTY COUNCIL.

COUNCIL
9th March 2016

REPORT AUTHOR: County Councillor Graham Brown

SUBJECT: Housing (Wales) Act 2014 – Council Tax premiums

REPORT FOR: Decision

1. Introduction

- 1.1 The Housing (Wales) Act 2014, amends the local Government Finance Act 1992 by inserting new sections 12a and 12b, which enables a billing authority, in Wales, the discretion to charge up to a 100% council tax premium on long-term empty dwellings (both unoccupied and substantially unfurnished) and dwellings occupied periodically (second homes/holiday homes that are furnished and not a main residence), a total charge of up to 200%.
- 1.2 There is a requirement to give affected council tax payers twelve months' notice of these changes, which may only be introduced from the start of a financial year. The earliest that a premium may be charged is 1st April 2017.

2. Background Information

- 2.1 On the 22nd October 2014 Council determined with effect from the 1st April 2015 to end the 50% discretionary discount awarded to properties that were unoccupied and substantially unfurnished, and as such a 100% council tax charge now applies.
- 2.2 The council tax legislation already provides a number of specific exemptions from council tax, and this includes a number of exemptions where the property is unoccupied, such as:
- Where only resident is in long-term residential care
 - Where only resident is in hospital
 - A dwelling requiring or undergoing structural repair (for up to one year)
 - Where resident has died and for a period of six months after grant of probate or letters of administration
 - A dwelling that is unoccupied and unfurnished(for up to six months)
- 2.3 A dwelling that is exempt from council tax is not liable for a premium. However where an exemption ends and remains unoccupied it would

become liable for a premium. In the case of empty and unfurnished properties it will be liable for a premium after it has been empty for a continuous period of twelve months.

- 2.4 With regard to periodically occupied properties (second/holiday homes) the Council determined, back in 1996, not to grant a discretionary discount and as such a 100% charge applies.
- 2.5 Billing authorities may impose a premium of up to 100% in respect of either or both categories of property, i.e. up to 200% council tax may be charged.
- 2.6 With regard to long-term empty properties, the premium may only be imposed after the property has been empty and substantially unfurnished for a period of twelve months.
- 2.7 The billing authority may specify different percentages for different dwellings and in the case of long-term empty properties may have different percentages based on the length of time for which the property has been empty.
- 2.8 In England, from 1st April 2013, billing authorities have had the discretion to charge a premium on a property that has been unoccupied and unfurnished for two years or more. The premium can be up to 50% of the Council Tax on the property. For information, the neighboring authorities of Herefordshire and Shropshire charge the maximum 50% premium for properties that have been unoccupied and unfurnished for two years or more. Of the Welsh Authorities considering a premium majority are proposing a 50% premium for both long-term empty and periodically premises.
- 2.9 A consultation has been undertaken via the citizen's panel to gather taxpayers views and comments regarding a council tax premium. The results are contained within **appendix one**.
- 2.10 Key findings as a result of the consultation showed that 79% of panel members support a premium for long-term empty properties, with 71% supporting a premium for periodically occupied properties. For both premiums there was a strong belief (81% & 63%) the introduction of a premium would encourage owners to bring such properties into full use.

3. Policy Objectives

- 3.1 The implementation of a premium is to **incentivise** owners to bring empty and periodically occupied properties back into use. Charging a premium will support the councils aims in increasing the number of properties fully occupied within the community.
- 3.2 A reduction in the number of long term empty and periodically occupied properties within the council's boundary would increase the availability of safe, secure and affordable homes. At present there are 1,236 listed on the housing

register a reduction in empty/periodically occupied premises would increase the availability of both rental properties and properties for sale.

- 3.3 The council's empty homes strategy details the objectives to address the increasing problem of insufficient supply of housing by providing good quality rental accommodation and bringing empty homes into the market place. Support and assistance is available to owners through the work of the private sector housing team, who have a suite of loan products specifically designed to address empty properties. The team also delivers specific Welsh Government empty property initiatives via Houses into Homes and Town Centre Loan schemes. Both aim to address the problem of empty units whilst simultaneously delivering urban regeneration.
- 3.4 The sustainability of the local economy is reliant on a populated and vibrant community. Any reduction in empty/periodically occupied properties would have a positive impact on the local economy, house prices and services available within the community.

4. Exceptions to Premium

- 4.1 The Act gave Welsh ministers powers to make regulations setting out exceptions to the premium: that is, classes of dwellings where a Local Authority could not charge a premium.
- 4.2 The Welsh government consulted on the proposed exceptions between 13 March 2015 and 13 June 2015.
- 4.3 The Council tax (exceptions from higher amount) (Wales) Regulations 2015 prescribed the classes of dwelling that are excepted from a Premium being charged, and they apply as follows:
- 4.4 Long-term empty & substantially unfurnished dwellings:
- Class 1- Properties being marked for sale (**exception period up to 12 months**)
 - Class 2 – Properties being marketed for let (**exception period up to 12 months**)
 - Class 3 – Annexes forming part of, or being treated as part of the main dwelling
 - Class 4 – Dwellings which would be someone's sole or main residence if they were not residing in Armed Forces accommodation or were not in service in the Armed Forces of the Crown.
- 4.5 Dwellings occupied periodically:
- Class 1- Properties being marked for sale (**exception period up to 12 months**)
 - Class 2 – Properties being marketed for let (**exception period up to 12 months**)

- Class 3 – Annexes forming part of, or being treated as part of the main dwelling
- Class 4 – Dwellings which which would be someone’s sole or main residence if they were not residing in Armed Forces accommodation or were not in service in the Armed Forces of the Crown.
- Class 5 – Occupied caravan pitches and boat moorings
- Class 6 – Seasonal homes where year-round occupation is prohibited
- Class 7 – Job-related dwellings

5. Financial Implications

- 5.1 Any additional funds raised through the council tax premium on long term empty and periodically occupied dwellings would be retained by the authority and would not be incorporated into the tax base for the calculation of Revenue Support Grant. The Welsh Government have not ring-fenced how authorities use any additional funds generated through a premium.
- 5.2 Any reduction in number of long term empty and periodically occupied dwellings could have a positive impact on the Revenue Support Grant. The Welsh Government Financial Settlement is based on a Standard Spending Assessment (SSA). Any increase to the indicators used to calculate the SSA can have a positive impact if the change is in line with the rest of Wales. If for example Powys pupils increased the share for Powys may increase.
- 5.3 Charging a Council Tax premium can be a positive incentive to bring long-term empty or periodically occupied dwellings back into full use. However in certain circumstances it needs to be recognised that this may for some place an additional financial burden on the owners of such properties who may face genuine difficulty in disposing of property or bringing property back into use. The classes of dwellings where a premium may not be charged offer some assurances to such owners who meet the criteria set.
- 5.4 Under Section 13a of Local Government Finance Act, discretionary powers exist to reduce the council tax liability as the council sees fit. The power can be exercised in a particular case or by determining a class. The power may be used to reduce council tax liability where a premium is applicable. The Council will consider each case on its merits having regard to the circumstances of the case.
- 5.5 The charging of a premium on long-term empty properties and properties occupied periodically will increase the council tax yield. The table below estimates the potential increase in the Councils tax yield based on implementing the premiums, whilst giving an indication of the impact in a reduction in the number of properties where a premium would be applicable (due to becoming occupied or being excepted from a premium).

Prescribed Class	No: Accounts	17-18 liability	10% reduction	20% reduction	30% reduction
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2nd Home	1,261	1,864,184	1,677,765	1,491,347	1,304,929
Long-term Empty	1,220	1,675,150	1,507,635	1,340,120	1,172,605
		3,539,334	£3,185,401	£2,831,467	£2,477,534

0% Premium	Nil	Nil	Nil
30% Premium	£955,620	£849,440	£743,260
50% Premium	£1,592,700	£1,415,734	£1,238,767

- 5.6 The figures quoted as potential additional Council Tax yield in above table does not reflect loss in collections and it would be prudent to assume a lower collection rate for the premium to current in-year Collection rate of 97.6%.
- 5.7 Council properties that are unoccupied and substantially unfurnished for a period of 12 months would be subject to the premium, at present there are 12 such properties with a Council tax liability of £15,400.
- 5.8 No revenue from a premium has been included within the medium term financial plan as the policy intent is to reduce the number of long-term empty and partially occupied properties within the county.

6. One Powys Plan

- 6.1 This proposal links to the one Powys plan by supporting the outcome for stronger, safer and economically viable communities by bringing properties back into full use.

7. Administrative Procedures

- 7.1 There will be difficulties in identifying which properties are periodically occupied as there has been no previous requirement to ask council tax payers to specify if a property was a holiday/second home as this status had no bearing on the level of council tax payable.
- 7.2 A recent exercise revealed that 75% of properties classed as second homes had a mailing address which was out of county. New checks would be implemented in order to identify and verify second homes.
- 7.3 Legislation determines as to whether a holiday let property falls to be liable for Council Tax or Business Rates, a property is liable for Business Rates when a property is available to let for 140 days a year **and** actually let for a period of 70 days or more. The administration of this is undertaken by the Valuation Office Agency. There is potential for properties to

move between Council Tax and Business Rates due to meeting this criteria equally properties may move from Business Rates to Council Tax due to above criteria no longer being met.

- 7.3 In relation to long term unoccupied and unfurnished properties, these were reviewed annually and going forward intelligent reviews would be undertaken through use of available datasets to identify long-term empty properties.
- 7.4 Robust checking regime will be introduced to ensure where a premium or an exception to a premium is appropriate it is applied. Neighbouring authorities who have introduced a premium reported significant additional administrative work was generated in dealing with queries and administering the premium. If a premium is introduced the resource capacity to manage the additional administrative processes including the billing, collection and recovery within Income & Awards section would need to be considered.

8. Options Considered/Available

- 8.1 Option one – No premium for long-term empty and periodically occupied properties
- 8.2 Option Two – 30% premium for long-term empty and periodically occupied properties
- 8.3 Option Three – 50% premium for long-term empty and periodically occupied properties

9 Preferred Choice and Reasons

- 9.1 That option Three be adopted, and a 50% premium for both long-term empty and periodically occupied properties be determined so that a premium be charged from **1st Aril 2017**, and this decision shall remain effective each financial year unless rescinded.
- 9.2 That the premium for both long-term unoccupied and periodically occupied properties be the same (at 50%) in order to prevent “premium avoidance tactics” being undertaken, so that the status of a property falls into a prescribed class with a lower council tax premium.
- 9.3 Determining to charge a 50% premium will act as an incentive for owners of long term empty and periodically occupied properties to bring them back into use thus increasing the availability of housing stock, which in turn will provide a positive impact on the sustainability of local communities.
- 9.4 Following a determination to charge a 50% premium, the council would Monitor and review the impact of such a premium on the number of long term empty and periodically occupied premises and the Council has the discretion to

vary or revoke a determination made, provided it is does so before the beginning of the financial year to which the determination applies.

10. Sustainability and Environmental Issues/Equalities/Crime and Disorder, Welsh Language/Other Policies etc

10.1 An equality impact assessment has been undertaken, see appendix two.

11. Children and Young People's Impact Statement - Safeguarding and Wellbeing

11.1 There is no impact on children and young people

12. Local Member(s)

12.1 The Polices will apply equally throughout the County

13. Other Front Line Services

13.1 There is no impact on front line services

14. Support Services (Legal, Finance, HR, ICT, BPU)

14.1 The Professional Lead-Legal recognises that the changes proposed in this report will require a robust regime in identifying the properties that fall into the categories which this report aims to target before any enforcement of the policy proposed can be enforced. There are likely therefore to be increases in both administration and legal work and costs to be considered.

14.2 Finance commented: The recommendation in the report is supported as the additional funds can be utilised in whole by the Authority thus aiding the overall Medium Term Financial Strategy.

15. Local Service Board/Partnerships/Stakeholders etc

15.1 Not applicable

16. Communications

16.1 There is a requirement to publicise the decision in local media within 21 days of a determination being made.

16.2 Communications commented: The report is of public interest and requires use of news release and social media to publicise the report and decision.

17. Statutory Officers

17.1 The Strategic Director Resources (S151 Officer) notes the financial implications of the decision.

17.2 The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report.

18. Members' Interests

18.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
<ul style="list-style-type: none"> • To determine, that in accordance with Section 139 Housing (Wales) Act 2014 and Local Government Finance Act 1992 (as amended) Sections 12A & 12B, to charge a premium of 50% from 1st April 2017 for long-term empty properties and periodically occupied properties. • Determine that this decision shall remain effective each financial year unless varied or revoked. • To publish the determination within 21 days in at least one local newspaper in accordance with Section 12 of the Local Government Finance Act 1992. 	<p>The council is required to make a determination in order to charge a premium and publish the decision under section 12 of the Local Government Finance Act 1992.</p>

Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	
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Person(s) To Implement Decision:	David Morris
Date By When Decision To Be Implemented:	1 st April 2017

Contact Officer Name:	Tel:	Fax:	Email:
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David Morris	01597 826687	David.morris@powys.gov.uk
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Background Papers used to prepare Report:

Housing (Wales) Act 2014

The Council Tax (Exceptions to higher amounts) (Wales) Regulations 2015

Powys County Council Empty Homes Strategy.

Appendix One

Appendix Two

Key findings report

Council tax premium proposal



February 2016.
Report by Sue Glenn, Corporate Consultation and Engagement Officer

Background:

A sample of the Citizens Panel were sent either a postal survey (500) or an online survey (200) with background information about a proposal to introduce a Council Tax premium on certain types of properties.

The 700 panel members were asked to read the background information about the proposal and provide their views on key questions by Monday 8th February 2016 so these could be shared with the Cabinet and inform their and the Full Council's discussions and decision around the proposal.

The proposal:

The Housing (Wales) Act 2014 gives local authorities discretionary powers to charge an additional amount of council tax from 1st April 2017 (a premium) on both long-term empty homes and dwellings occupied periodically (second homes/holiday homes).

The introduction of a premium supports council policy of bringing as many empty and periodically occupied properties as possible back into full occupation. Currently no discount is granted to empty properties or properties that are periodically occupied. Reducing the number of such properties within communities increases the availability of housing stock and delivers economic benefits to local communities.

The response rate:

211 responses were received by the closing date. 41 of the 200 panel members who received an email and link to the online survey responded and 161 of the 500 who were sent a postal survey did so. This gives a total response rate of 30%. This is quite typical of the normal response rates from the panel and also for postal type surveys on the whole.

Around a dozen or so surveys were returned or bounced back via email from panel members who had either moved home or changed their email provider without notifying the council.

Panel profile and response:

The panel is a self-selecting group of residents who have volunteered to be involved and consulted by the council on a variety of topics from dog fouling to domestic abuse. The panel is predominantly made up of an older demographic but can act as a control group offering an independent and impartial view on matters affecting key stakeholders.

From the 211 responses received 106 were from men and 92 from women. 13 panellists chose not to specify their gender. 109 panellists who responded were aged 65+ years, 88 were aged 45 – 64 years and 12 were aged under 45 years. One person owned a property that was currently empty and seven respondents owned properties that were periodically let.

Key Findings:

Empty Property Premium

- 79% of panel members were in support of a premium being introduced on long term empty properties. A fifth were not in favour. (21%)
- 145 comments were given around why panel members supported such a proposal. (See Appendix A)
- 37 comments were given around why panel members didn't support the proposal. (See Appendix B)
- 70% felt the amount of premium should vary dependent on the length of time a property had been empty.
- 81% felt introducing such a premium could act as an incentive and help motivate owners of long term empty properties to either rent or sell the property.

Periodically Occupied Homes Premium

- 71% of panellists were in favour of a premium being introduced on periodically occupied homes e.g. holiday homes and second homes. 29% were not in favour of this proposal.
- 126 comments were given around why panel members supported this proposal. (See Appendix C)
- 58 panel members gave reasons why they didn't support the proposal. (See Appendix D)
- 63% felt that introducing such a premium could act as an incentive for owners to bring their second property back into use as someone's main residence.

Additional Insights

- The top five answers when panellists were asked where any revenue gained via introducing this premium should be spent were:
 - Supporting owners of empty properties to bring them back into use
 - Providing more affordable housing
 - Schools/education
 - Tackling homelessness
 - Social care for adults

Question by question analysis.

Q1a. Do you support the proposal to introduce a premium on long term empty properties?

6 panellists chose not to answer this question.

Answer	Number	Percentage
Yes	162	79%
No	43	21%
Total	205	100%

Q1ai. Please give your reasons for supporting the proposal?

Of the 162 respondents who answered yes, 145 gave a reason why they supported the proposal. These were predominantly around people feeling that there were areas in the county where people couldn't afford housing and that by getting empty properties back into use this would improve the availability of affordable homes. There were also comments about people who could afford two properties contributing more to the economy.

Some examples of the comments given are as follows:

"I live in Presteigne where there are many young people who cannot find houses to buy and some have moved into Herefordshire where the Council's attitude to allowing development is more realistic. The empty properties in Llandrindod will not be occupied now that the Housing associations have built so much."

"In the area in which I live there are many longer-term empty properties which could serve housing needs rather than new-builds a quota for which is imposed on local councils. The new-builds (often executive and not affordable for a vast majority) are then granted permission but the only people to benefit are the developers."

"There is a shortage of affordable housing both to rent and buy in our part of Powys. Having long term empty properties just exacerbates this problem."

"Increase revenue for P.C.C."

"To avoid vandalism, to maximise on council revenue to ensure owners use properties which would add value to local communities either by occupancy, sale or rent."

"Unless there is a good reason for the property to be disused they should pay the premium. Families need to be housed at all costs. It is difficult to buy or even rent property. Bring as many as possible back for use."

"This will increase revenue for PCC. It may make more housing available locally. Occupied dwellings improve the appearance and atmosphere of a locality."

"Properties empty for extended periods attract vandalism, squatters, fly typing etc. and reduce the number available for sale or rent."

Please see Appendix A for the full list of comments. Any personal details have been removed for confidentiality reasons.

Q1aii. Please give your reasons for not supporting the proposal?

Of the 43 panel members who answered 'no', 37 provided a reason why they felt they couldn't support the proposal.

The main reasons given were around the fairness of charging people who may have worked hard to own a second property or inherited it and couldn't afford to renovate it quickly enough to avoid a premium.

Some examples of the reasons given for not supporting the proposals are given as follows:

"I have had a property empty myself, doing renovations slowly when I can afford to do it and still waiting for solicitors to sort out my mother's estate, things are never clear cut. Things can take a lot longer than 12 months."

"Penalises people who may have a good reason for not occupying a home of use it as a second home."

"It is none of the Council's business whether or not a property is occupied, provided the full rate of Council tax is paid. This whole business diverts attention away from the true issue. Successive governments and Councils have failed to build enough COUNCIL HOUSES (I'm not talking about 'affordable' homes built by developers)."

"Why should they pay more when they are not receiving any services - they in fact, should pay less? Empty properties should pay a reduced Council tax."

"Probate delays. Planning delays. Planning blight. Insurance claim delay."

A full list of the comments given is in Appendix B.

Q1b. One reason the council wishes to introduce the premium alongside income generation is to try and ensure some of the current 1600 empty homes become lived in rather than remain empty. Do you think charging a premium will help or hinder this plan?

8 panellists chose not to answer this question.

Answer	Number	Percentage
Help	164	81%
Hinder	35	17%
Don't know	4	2%
Total	203	100%

Q1c. Should the amount of premium vary/be staggered depending on the length of time a property has been empty?

19 panellists chose not to answer this question.

Answer	Number	Percentage
Yes	135	70%
No	57	30%
Total	192	100%

Q2a. Do you support the proposal to introduce a premium on homes that are periodically occupied? (I.e. second homes/holiday homes)

Answer	Number	Percentage
Yes	146	71%
No	61	29%
Total	207	100%

Q2ai. Please give your reasons for supporting the proposal?

126 people gave reasons supporting the second proposal. The main reasons were again around fairness and people being in a position to own more than one property contributing more. There were also comments about people who own second homes stopping young people being able to buy a home locally.

Some of these are listed below. Please refer to Appendix C for the full listing.

“Again, it would provide a new income stream from those people who are using their properties for other than residential reasons and who are likely to be wealthier, and who will have the means to recover the additional premium by increasing their rents.”

“Holiday homes take away potential homes for local people.”

“When younger, frequently people struggle to provide homes for their families, often in areas where they have lived possibly all their lives and with fast rising rent levels in some cities being quoted for such as Bristol, any arguably reasonable proposals are worthy of consideration.”

“People that can afford a second home should pay more I don't think it should apply to holiday homes let as a business.”

“If you can afford another property you can afford to pay a premium! As a holiday home - enjoying the views etc. nice roads, parks, it has to be paid for.”

“Absolutely it should be 100% as the owners do not contribute to our community and are taking housing for local people and pushing house prices up.”

“Help to the Council Exchequer - especially if staggered over 4 years i.e. 25%, 50%, 75% then 100%.”

“Owners are making a profit from letting (e.g. holidays periodically).”

“These type of properties should be paying the same as any resident in Powys paying Council tax. Holiday homes are a business to some.”

Q2aii. Please give your reasons for not supporting the proposal?

58 panel members were not in favour of the proposal. Key reasons were around the fact that people felt a premium was not fair when people owning second homes already paid more tax and may have worked hard to afford one. There was also a fear that it could affect tourism in the county.

Some of the comments are listed below. The full list is available as Appendix D.

“This will penalise these people who have worked / saved up to buy a second home. More effort should be made to tackle benefit fraud which is rife in Powys.”

"Discourage holiday lets which will impact tourism, especially if many holiday lets decide to pack it in. After all it is seasonal business and they would be penalised for something they have no or little control over!"

"I think having a second/ holiday home in this area is a positive and not a negative on the whole. I doubt that the kind of homes people buy for holidays are competing with, for instance, first time buyers, though it's probably the case that the demand does exert some upward pressure on the housing market. I know of a number of cases of people who came here for holidays, perhaps owning a house and at some point come and settle here, so I am not sure that penalising 2nd home owners would not be counterproductive."

"As an owner of a holiday cottage - I have already spent substantial revenue in achieving the relevant standards set by WTB. The fact that the property is let brings revenue into Powys through tourism. I object strongly to this possible premium. It's hard enough to make any profit at all now."

"SECOND HOMES: undecided. HOLIDAY HOMES (for rental) NO. The owners pay (or should pay) tax on their rental income anyway."

"Much better a 2nd home/holiday home than an empty property. If Powys charge a premium and other areas do not this will tend to discourage people from buying a holiday home in Powys - to our detriment? Could then adversely affect property prices which are already very depressed."

"If a property is being used then I don't think it puts it in the same category as properties being empty for long periods."

Q2b. Do you think the premium would act as an incentive for owners to bring their property back into use as someone's main residence?

Answer	Number	Percentage
Yes	98	63%
No	58	37%
Total	156	100%

Q3. Any money raised through a council tax premium is not ring-fenced. This means the council is free to spend the money in any way it sees. Where do you think any income should be spent?

10 suggestions were listed for respondents to choose from and an option for alternative ideas also provided.

The five receiving the most support were as follows:

- Supporting owners of empty homes to help bring them back into use
- Providing more affordable housing
- Schools / Education
- Tackling homelessness
- Social Care - adults

If respondents didn't wish to rank the suggestions given they were asked to give their own suggestions. 48 panel members gave their ideas. Please see Appendix E for the full list.

Q4. Please provide any final comments below about the proposal.

97 panel members choose to give final comments around the proposal. These were on the whole very similar to those already expressed and haven't been included as an appendix. They are available on request.

Q5. Profile questions:

Gender	Number
Male	106
Female	92
Total	198

13 respondents chose not to answer this question.

Age	Number
Under 45	12
45 – 64 years	88
65+ years	109
Total	209

2 respondents chose not to answer this question.

Property Type	Number
Owner of an empty property	1
Owner of a periodically let property	7
Total	8

Appendices

	Appendix A – Comments from panel members who support the proposal to introduce a premium on empty properties.
1	To encourage properties to come back into use
2	Increase revenue for P.C.C
3	I believe this would help recoup some of the costs of such properties when owners do not contribute to the local community / economy in other ways (shops, leisure facilities, schools etc.)

4	Such properties should be sold or rented or used as holiday homes and not left empty.
6	Second or holiday homes are a luxury. But it should not apply where someone is trying to sell their home but is finding it difficult to do so.
7	I live in Presteigne where there are many young people who cannot find houses to buy and some have moved into Herefordshire where the Council's attitude to allowing development is more realistic. The empty properties in Llandrindod will not be occupied now that the Housing associations have built so much.
8	If the properties are in disrepair yes, but not if they are just taking a London time to sell.
9	In the area in which I live there are many longer-term empty properties which could serve housing needs rather than new-builds a quota for which is imposed on local councils. The new-builds (often executive and not affordable for a vast majority) are then granted permission but the only people to benefit are the developers.
10	To share the burden more equitably.
11	Properties that are empty for a long period of time could have a premium paid by their owners if they wish them to stay empty or sold or rented. This could help issues for local housing stock.
13	We need people living in properties - people who have children and relatives who visit the area and bring money into the area - not empty properties waiting for them to be worth more money.
14	Homes needed and at an affordable level.
16	So much could be said here but, essentially, the property owner is still the beneficiary of all the services which a local authority must provide and this includes roads, street lighting and so on. Generally, they make no contribution to the local economy in the way that a resident owner does, by supporting local shops, tradesman etc., without which the community would be the poorer. Not being used enough is why most shops or businesses fail and when they fail they put people out of work. At the very least, the Council then loses revenue from Council Tax as well as the Business Rate which the failed business paid. The premium is a small extra price to pay in lieu of that contribution.
17	Will increase the pressure on landlords to fill empty properties to help housing shortage.
18	I don't think empty homes are an option at a time when many struggle with rent, and homelessness
19	Empty property has a detrimental effect on the surrounding community, it hold up precious property stock impacting on the property market and the premium should be greater than an occupied property.
21	At times of shortages of homes in many areas and, presumably accurately, it is suggested that such as Ministry of Defence may own thousands of empty homes when allegedly 25% of people "sleeping rough" could be recently military personnel, something constructive needs to be done NOW.
22	To provide additional income to a cash strapped authority without impacting on the poorest groups.

23	There are too many empty properties, many being kept empty for reasons of potential financial gain. Releasing them on to the housing market should make it possible for more local people to buy or rent homes.
24	Rather than a means of increasing PCC revenue the major inescapable logic that it is immoral for property to remain empty when people are unhoused or living in inadequate property
25	Encourage more empty properties to be let, sell them thus making more affordable housing potentially.
26	Homelessness is an issue, as is affordable property. These problems affect the community at large; if owners can afford to leave property untenanted for long periods, they should compensate the community.
29	Reduce private rents and increase housing supply.
30	There is no reason to have an empty property if it possible to utilise it.
31	It will have positive consequences on housing availability and ensure that people who can afford it pay a premium.
32	There are people living on the street because of lack of housing. There are others living in cramped conditions.
33	There is a shortage of affordable housing both to rent and buy in our part of Powys. Having long term empty properties just exacerbates this problem.
34	Homes in this category contribute to higher prices and homelessness. They also rob the local community of finance in general
36	It is one way the Council can put pressure on private owners to maintain and use their property. If they object to the charge, then perhaps it will encourage them to sell.
37	There are young people who cannot afford to live here and having empty holiday homes that do not pay a sensible amount to the Council should not happen.
40	Encouraging people to make use of empty houses is good for the community as a whole.
41	Owners maybe using property as an investment and in effect depriving homeless of accommodation
42	This would increase money for government, South could potentially force them to sell, which international would create more accommodation
43	Reasonable way to increase tax-take
44	To encourage the owner to either occupy or sell on the property.
45	Properties empty for extended periods attract vandalism, squatters, fly typing etc. and reduce the number available for sale or rent.
48	Properties left empty are a blight in the area becoming run down or dilapidated. This would push them to be maintained, let or sold thus increasing the available properties in the area. The longer its empty the higher the rate!

49	Unless there is a good reason for the property to be disused they should pay the premium. Families need to be housed at all costs. It is difficult to buy or even rent property. Bring as many as possible back for use.
50	To bring them back into use for homeless families.
51	It will encourage disused properties back into use.
52	I agree with your examples. Owners of second properties often have no funds to renovate them and make them either saleable or suitable for rental.
54	To help to increase available housing in Powys. To reduce the need to build on greenfield sites.
55	How can there be a lack of housing stock if we have properties for refugees available?
56	They go into disrepair - vandalism.
57	To avoid vandalism, to maximise on council revenue to ensure owners use properties which would add value to local communities either by occupancy, sale or rent.
58	I know of a few places that have been empty for years.
59	A very logical idea, should have been implemented long ago!
60	It depends why the property is empty e.g. it may be tied up because of probate and should not be charged. If it is empty largely because of the rules of a third party the owner should not have to pay.
61	Given that you do not charge ANY council tax on empty properties this seems a rather odd question. Since the valuation office is responsible for setting rates I fail to see how the council can implement the necessary change.
62	Because it would give you a new income stream derived from people who have failed to manage their own properties, which in my view is perfectly justified.
64	For the council to obtain additional income which in turn will reduce price rises for the general public of Powys.
65	Whether they are empty or not they are still a burden on council resources.
67	Encourage property owners to put the homes/properties back into use.
68	Needs more clarification before I can decide.
69	To give young people to have a home of their own, and could regenerate rural areas.
70	It may encourage property owners to renovate/let/sell properties more quickly.
71	It is bad for the house to be left empty and would help the housing crisis if owners are made to do something about them.
72	Someone is responsible, the longer it's left unattended the worse it looks and it degrades the area.
73	UK is not meeting targets to provide homes therefore ALL potential dwellings should be made available.

75	Land and property banking is immoral. Extend this to vacant retail units too.
76	Additional Revenue, enhance usage of 2nd homes.
77	Yes - a wakeup call that they haven't been forgotten.
78	It's a good incentive to make owners make the property available to buy or rent.
79	I believe when there is a desperate shortage of affordable housing to rent, increasing the tax on these properties will encourage the owners to put them on the market to rent or to sell at a lower price. For the second category "periodically occupied" it's essential to specify the period - less than 50%?
80	I think it is wrong to have holiday homes which are empty half the time when there is such a shortage of starter homes.
81	As stated the owner would be encouraged to sell, let or live in a valuable property.
82	Many people are struggling to find accommodation
87	If owners can afford to buy a property and leave it unattended then they can afford to pay council appropriately.
88	To encourage occupation of properties.
89	It should encourage people to have properties occupied. An empty property can deteriorate and can affect other nearby properties.
90	To incentivise landlords to either sell or let to assist the housing shortage. Plus to achieve extra income for the authority.
91	Introducing a premium would encourage owners to make a decision to sell the property or renovate it.
92	Encourage owners to do something (either sell or renovate) or let out for income to cover the added costs. It seems there are many many empty houses in Powys!!
93	But NOT if owner is trying to sell but is unable to.
94	It might give people a push to either rent or sell their property.
95	Empty Homes: As described to incentivise rent or sale. You should explore options of CPO and rent, sale AND to partner with housing associations to bring them into letting. You should NOT apply charge to empty council or HA properties taken out of letting as part of a scheduled decant and redevelopment. Holiday Homes: Agreed BUT holiday makers can contribute more to local economy than residents AND they are generally low users of services such as refuse collection but high users of leisure centres etc. Powys economy is relevant on the holiday *** - this I accept is different from 2nd home ownership.
97	Very good idea
99	It would encourage owners to do something with the property.
100	This will increase revenue for PCC. It may make more housing available locally. Occupied dwellings improve the appearance and atmosphere of a locality.

102	Everyone has to pay council tax just because it is empty should not be an excuse not to pay.
104	Need to give young people a chance to own their own property, as they can't afford to live here, which affects jobs and the character of our town (Hay).
105	The property in Brecon High Street that used to be called 'Top Draw' is a prime example. This should never be allowed to happen.
107	I would normally say that people should be free to do as they wish with their own property but in situations where people have no home or are forced to live in totally unsuitable circumstances it seems unreasonable to keep property empty.
108	We have a massive housing problem in the Machynlleth area, every empty property should be renovated if needed and available for rent.
110	Need to get them back in the housing market.
114	An incentive to sell/let
116	People who have money (clearly do cos they own 2+ properties) shouldn't have to have extra money cos they don't pay when you got people scrimping n saving to pay there's
118	There are people wanting somewhere to live and this would help the housing situation.
119	Increase revenue stops property becoming unused and possibly vandalised or derelict.
121	If a year empty is a long enough period if/when housing market poor. Why should there be long term empty properties with homelessness etc.
122	I fully agree but it's difficult if someone has a house on sale and cannot sell it or if it's been a family home and left to children who then use it as holidays or weekends, to keep contact with the area.
124	When people get hit in their pockets it makes them think if something is worth the extra cost.
125	Will encourage people to sell empty houses
126	Owner should be encouraged to renovate derelict and unsightly properties back to full use. Due to the sale of Council Houses and now this Government's plan to sell housing association stock we need all of the rental property we can get.
127	I know this can cause problems in exceptional situations, maybe an easy way to challenge this ruling could be introduced for this, but with money so tight it's not fair to other council tax payers that people are leaving properties empty at no cost. These houses need to be in the housing stock. In exceptional circumstances e.g. non pro** will but these cases would be very rare.
128	Not only will it give the council extra money it will also bring more much needed accommodation into play.
129	Because I feel houses should be available for local use - full time.

130	I do in theory but I think there are complications as in the case of the owner being unable to afford to get the property to a decent standard. It is one way of trying to address the housing issue.
131	It will be best use of the house property assets. I support all the arguments listed FOR produced by the Council. However for unfurnished property that has been left vacant for more than 1 year the premium should be 100%.
133	Too many second homes leaves a village with an "empty" feel. Young families should be encouraged to live here. Long term empty properties can give the appearance of a "dying" community.
134	Houses should not be left empty when people are living on the streets.
136	More money for the council and possibly help the homelessness.
137	I don't think that one year is long enough to allow property to be vacant, having known someone who took over 1 year to sell a property left to them. I would agree to a longer term empty property.
138	Powys Council has received inadequate funding from the labour government in Cardiff.
139	To encourage property owners to either sell or rent out empty properties.
140	Where there is a housing shortage, empty properties not being let are a wasted resource. Help and advice must be provided to assist with this. An extra charge may prompt people to do something about the extra properties they own and have left empty.
142	I think Powys CC do a good job with its housing policies, therefore, I would trust it to administer wisely.
144	If it is for investment then yes.
145	It encourages vandalism etc. Houses should be lived in, not left to rot. Especially when there are people trying to buy or rent properties. Community fairness also comes into it, as most of us pay our Council tax, so should we all.
147	Income generation to reduce Council tax for permanent residents.
148	Because hopefully it will deter people from buying second homes for holiday homes in our town and also free up empty homes for people that want to live here.
149	Properties unused can become unsightly to the area or broken into
150	This will increase housing stock available for use in the county - let or buy.
151	Properties left empty very often deteriorate quickly and lower the local area and deprive people the ability to rent or own their own home.
156	A modest premium might encourage owners to sell or rent. Long term empty property is detrimental to any area, look at the old Automobile Palace site in Llandrindod Wells.
159	As I feel it will help the owners to do something rather than leave empty.
160	The properties are still owned by someone and they should be encouraged to bring them up to standard, some unoccupied properties are an eyesore and would encourage vermin.

161	Will help the housing shortage
162	Help to the Council Exchequer - especially if staggered over 4 years i.e. 25%, 50%, 75% then 100%
163	It could help give people home and improve things.
164	Long term empty properties are a waste of a valuable resource, which could be used to provide housing that is desperately needed.
166	I believe that some properties will only sell if the price is reduced enough, this may encourage owners to drop the price, and sell the property. However, I do not believe this should be the more expensive premium.
168	Increase revenue. Encourage/force property to come onto market. Should be a 12 month period of grace for bereavements to allow estate to be sold off.
170	Better to see houses lived in than empty.
171	Providing the premium is not charged on properties that are being improved or renovated.
173	Additional funds for County Council. Encourage people for whom home is a second property to bring back into use i.e. town centres. Reduce nos. requiring new builds.
174	Such properties are of no use in the community and could be used for much needed housing.
178	Empty buildings affect nearby property prices, effect the housing stock and where property is sold cheap either due to its condition or financial pressure it only benefits first time buyers wanting a start or low income.
184	It would encourage owners to act, empty houses soon look derelict if not cared for, thus depreciating neighbour's property. They may also encourage squatters.
185	I do think people who own a property should pay, at least a proportion of the council tax, even if they are not living in it permanently.
186	They are often older, historically valuable buildings being allowed to fall into disrepair or worse dereliction. They encourage squatters also/or possibly vermin.
187	With Council HELP if necessary, it's a win win situation.
189	To encourage the owner to either sell it so someone or let it to a tenant at a fair rent.
191	It would encourage owners to do something about the properties such as sell them or rent them out, holiday homes could be let on a short term tenancy.
193	When property are in dispute between parties due to a will there is no reason that they should be exempt from tax and should be charged to the parties involved, there are properties that are in this category and have been for years, it would put pressure on the parties involved to do something about it and resolve the dispute either way and not left empty for years with no income to the Council.
194	Family member has an empty property next to their house and has had problems with damp and vermin, as house has been empty for over 20 years.

196	Gives Powys an income - ameliorates the cuts a little. Encourages local people to live locally possibly. Time the rich paid as the gap between rich and poor increases.
197	There must be an incentive for owners of these properties to be responsible owners. Many lower paid people would love the opportunity to own such properties. I live in a semi-detached house, where the house next but one has not been occupied for more than 20 years. Maintenance is minimal with large rear garden overgrown. Complaints have been made to the Council but nothing is ever done.
199	Because they are not contributing to local finances contributing to local economy and social cohesion.
202	If you can afford a second property you should be able to pay tax on it.
203	If they are empty for long periods do they need them?
204	To encourage occupation of those properties.
205	Empty deteriorating farm buildings/houses are a sad sight and a waste.
207	The owners should be allowed time to decide what to do with their property and then if they cannot decide then a premium could be added, the amount to be added should be determined by e.g. how long it has been unoccupied.
210	In this area there are large numbers of people who work in this area but are unable to get on the property ladder - empty houses do not regularly bring any income into the area (unless regular holiday lets) therefore, for the privilege of owning a house in the area - some financial payment should be made.

	Appendix B – Comments from panel members who didn't support the proposal to introduce a premium on empty properties.
5	I have had a property empty myself, doing renovations slowly when I can afford to do it and still waiting for solicitors to sort out my mother's estate, things are never clear cut. Things can take a lot longer than 12 months.
12	Don't believe that an empty house should be paying full council tax, never mind a premium!
15	Paying the normal full council tax on an empty property (which does not use any council services) should be sufficient incentive. An additional tax will just alienate owners of these properties
20	There are very few people who would leave a property empty unless there were good reasons for doing so. I feel that this will do little to improve council income with some people who pay now being unable to pay the premium and perhaps not then paying anything with the council actually losing out. Better to encourage people to get the property occupied by fast tracking planning and giving good advice and possibly a year with no council tax on properties bought back into occupation

27	If the Queen doesn't have to pay extra for the property she doesn't use then why should anybody?
28	I do not support a blanket premium. It should only be applied where the empty properties are in locations where housing pressures are high (i.e. it should be a selective policy set against published criteria supporting the case)
35	Outrageous. Houses in Llanidloes are often on the market for a long time as jobs are so few and far between, people cannot afford to get mortgages. The recent new homes built on the edge of our town mean that private owners are now struggling to get tenants. What is council tax for? Surely it is to pay for services used by citizens. How can you possibly charge the citizens who use the service least of anyone? If a house is empty surely there is no rubbish being collected, doctors being used, children bused to school. How can the owners of these homes be penalised to pay for more of what they are using less of. I know lots of sad reasons why homes are empty - death, divorce, illness - how can you capitalise on this and be morally correct! In the cases locally, no one wants there home empty - they are slow to sell.
39	Penalises people who may have a good reason for not occupying a home of use it as a second home.
46	It's not a simple yes or no. I may agree depending on the circumstances.
53	Its greedy
74	Council Tax pays for a service, you do not get a premium service if you own two properties so it is unjust to pay a premium price.
96	Charges for unoccupied properties were increased April 2015. Further charges would be prohibitive and could cause further debt/recovery problems. Probably depends on what 'help' is available for people to bring properties back into use.
101	It does not cost the Council in services when a property is empty, sometimes properties are empty to gain the right person.
106	Private owners may have already worked extremely hard in order to purchase a second property that they may intend to retire into or use for an elderly relative when the need arises. Allowing the property to be rented out to an unknown person can cause many problems, when they wish for that person to leave, hence the property is left empty.
111	It is none of the Council's business whether or not a property is occupied, provided the full rate of Council tax is paid. This whole business diverts attention away from the true issue. Successive governments and Councils have failed to build enough COUNCIL HOUSES (I'm not talking about 'affordable' homes built by developers).
112	Basically unfair
113	These properties are probably empty for a good reason - like property in probate or people not having enough finances to improve property to let it, or sell it. Increasing a tax on it is not going to help situation.
117	Why should they pay more when they are not receiving any services - they in fact, should pay less? Empty properties should pay a reduced Council tax.

132	The properties are empty for a reason, known only to the owner. The owner should be interviewed to ascertain why. Then something could be done, maybe leased to the Council for use.
137	I don't think that one year is long enough to allow property to be vacant, having known someone who took over 1 year to sell a property left to them. I would agree to a longer term empty property.
143	No guarantee that the property will be let if empty.
146	If the house is empty then the council is not using any resources for that house i.e. refuse collection, social care etc. If anything the owners should pay no Council tax since it is not partaking in any Council services.
152	There are few empty properties due to shortage of housing. People may be struggling to sell their homes and still paying mortgage on it, i.e. couples who have separated and have both moved into rented accommodation etc.
153	I might have missed some but I can only think of Police and Fire where you would be providing services. If you are charging for services not provided, refuse, ambulance, roads, schools etc. this sounds like extortion.
157	I think that it's unfair. If any payment should be made after 12 months then it should be the same payment as if a single person is living there, i.e. 25% less.
176	It is a vindictive and mean minded proposal by an authority that is, now, looking to kick a person, family who may be down rather than to effectively to fight the Welsh Government for fair/equal funding. For empty down at heel properties the Council has other powers to bring about an improvement. For so called holiday properties the owners bring about occasional local business which would not be there if they hadn't invested in them - the higher property values due to these holiday purchases is another issue - probably a far more important issue.
177	The Council should build more affordable homes and raise more income from the rents. There should be more incentives/grants for owners to get properties back on the market.
180	Probate delays. Planning delays. Planning blight. Insurance claim delay.
181	Should be assistance to renovate (where needed) ALL unoccupied premises (including shops/business) into low cost housing accommodation. There should be NO new properties built until this is achieved. Planning, especially in Park, is a barrier to ordinary people doing this. Using empty properties better for environment. New housing and concrete adds to flooding problem.
183	I think it is up to the owner to decide, it's their property.
188	Too many people on benefits not paying any Council tax and people claiming they live alone and actually have parents living with them.
190	Changes in current financial year already raised monies on empty homes, you have to cut outgoings.
192	Properties can be left empty for many reasons e.g. the tying up of an estate or the owner may be in a nursing home or even working abroad. I feel this could be an unnecessary financial burden on some who will be unable to meet these costs. Also students would also be away from the property if at University.

195	I used to own a second property (not in Powys), because of the slump in the housing market took over a year to sell.
200	If the Council tax is already being paid then I do not feel extra charges should be applied.
201	Anyone with an empty property in reasonable condition will either let or sell it for economic reasons. The costs of renovating a dilapidated property are excessive and if the owner is short of funds then imposing more financial sanctions will not help. Currently there is generally a surplus of property for sale or rent in Powys.
206	Property for rent or holiday homes is an income. Mid Wales has little industry left, heavily taxing what is left could result in people being left with less income.

	Appendix C – Comments from panel members who support the proposal to introduce a premium on periodically let properties. (second homes / holiday homes)
1	To support the economy of local communities.
2	increase in revenue
3	Absolutely - this is an excellence idea. Make the homes available for affordable rental or live in them.
6	Second or holiday homes are a luxury. But it should not apply where someone is trying to sell their home but is finding it difficult to do so.
7	In Presteigne there are many homes that are now used as holiday lets. I know one person who advertises 42 bed spaces in houses that have previously been occupied by full-time families.

8	If people can afford a second then they should pay more even if empty
9	I am not in favour of property being held as holiday homes if this is for the benefit of a small number of people. However, property rented out as part of a tourist/holiday business is vital if we are to further push Powys as a tourist destination, creating wealth and jobs local to the area.
10	Ditto.
11	Holiday homes will bring some income into the local area when they are occupied but not when they are empty. This proposal would help the community when there are no occupancy.
13	Second homes and holiday homes don't bring people to the locality all year round - some areas of Britain are blighted by second homes - we don't need this.
14	They do not support the trade in the locality, do not make any I put to the life of the locality.
16	For essentially the same reason although if it is used as a holiday let and occupied for more than a specified length of time then there should be some relief.
17	Additional income opportunity
18	Holiday homes take away potential homes for local people
19	The entire year flat fee should apply otherwise it will create confusion and abuse to how often/regular a property is being used. Anyone who can afford a second home or holiday home can afford to account for the cost to run it 12 months a year.
21	When, younger frequently, people struggle to provide homes for their families often in areas where they have lived possibly all their lives and with fast rising rent levels in some cities being quoted for such as Bristol, any arguably reasonable proposals are worthy of consideration.
22	Again generating money without impacting on the poorest.
24	See above
26	Same as above. They should help support the community.
29	Increase use of empty homes. Increase rental availability and property types
31	Because I don't like rich people
32	Again because of people without accommodation.
33	Second homes are good for the local tourist economy certainly but they also remove homes from the property market and push up prices for locals. Salaries in Powys are low and many of our young local workers end up in poor accommodation or having to commute from other areas to work.
34	My knowledge of this is that the occupiers contribute little or nothing to the local community. Example: repairs and alterations to the property are invariably undertaken by tradesmen from outside the area
37	If people value coming here on their holidays they should care enough to make a sensible contribution to the Council to maintain what they appreciate.

40	It is better for the community to have houses occupied throughout the year by owners or tenants who are invested in the local community.
41	This is selfish. No accommodation should be unoccupied as second or holiday home when there are people living in unsuitable houses or flats
42	This maybe the more fortunate. Maybe from England. Buying cheaper homes in Wales while keeping the one they live in across the border.
43	Reasonable approach to increase the tax-take
44	Greedy holiday home owners from outside of the area have moved into the area inflating property prices to the extent that local people in this low pay area cannot afford to buy themselves.
48	Those with 2nd homes presently do not provide any thing to the area - they bring their food with them etc. This would at least provide something to the region.
50	A small premium. We do not want to lose people who love to visit Powys and bring extra income when they visit.
51	Too many in Wales.
52	Properties used for sole holiday occupancy by owners and holiday lets should pay a premium.
54	To prevent the destruction of local communities.
57	But amount should be determined by occupancy. This determined by owner voluntarily estimating how many months per year.
58	They are empty for months when they may let them for young people.
59	The aim is to get houses/flats occupied as they should be.
62	Again, it would provide a new income stream from those people who are using their properties for other than residential reasons and who are likely to be wealthier, and who will have the means to recover the additional premium by increasing their rents.
63	If a second or holiday home is part of your lifestyle, it is safe to assume a premium could be afforded.
64	Think of your ordinary general public who need Powys every day. These second homes are not only a luxury but often a business.
65	They come into the area and use all the services in the area.
66	People who can afford second homes can afford to make a bigger contribution to Council Tax. If it makes people think they cannot afford a second home and not buy one this will make more properties available to people living/working in Powys.
69	Second homes prevent local young people from getting their first home and also further depress rural communities.
70	The occupants should contribute something to the area they have purchased their property in.
71	People that can afford a second home should pay more I don't think it should apply to holiday homes let as a business.

72	The property needs looking after and as so many youngsters are looking to buy a house it's like a smack in the face when a property is only used for holidays.
75	If you own a second property, pay the tax on it.
76	Recognition of asset in Powys and increase appreciation of property.
77	If you can afford another property you can afford to pay a premium! As a holiday home - enjoying the views etc. nice roads, parks, it has to be paid for.
78	Again not available for full occupation or as a holiday let - the owner is making money.
80	It may encourage holiday makes to use B&B or local hotels more and bring back life to them.
82	The premium should be aimed at properties that are empty most of the time There are two arguments 1) holiday homes boost the local economy if they are occupied regularly 2) Many people are struggling to find accommodation
85	Services still have to be paid for.
88	Second home owners should have the privilege of a higher rate as would be higher wage earners.
89	These houses are often at the cheaper end of the market and suitable for first time buyers so having them as holiday homes is removing housing stock for young people.
90	Same reasons as above (unless landlord can confirm they are fully let?)
91	If someone is fortunate enough to have a second home/holiday home then they should pay council tax.
92	They are still "empty" 90% of the year.
93	A second home is a luxury.
95	as above
97	Very good idea.
99	Homes in this category are a luxury would encourage a better occupation % i.e. renting out.
100	This will increase revenue for PCC. It may make more housing available locally. Occupied dwellings improve the appearance and atmosphere of a locality.
102	Again some council tax should be paid by the owner otherwise it becomes unfair on people who do pay.
104	Hay is becoming a shanty town as weekend-ers bring their own food with them not benefitting the community.
107	I think there should be reduction or exemption for property that is part of a genuine tourism business and is occupied for a minimum period of the year i.e. 3 or 6 months and is making a contribution to the local economy.
108	If home owners can afford a second home which is unoccupied, they should pay premium rates which they obviously can afford.

109	If they can afford to have a second home they can afford to pay.
110	Need to get them back in the housing market.
116	People rent houses periodically so they can avoid the taxman.
118	If you can afford a second/holiday home I consider they should pay for the privilege.
120	Second home owners are a mixed bag. One close to my home rents for short lets a few times a year and the owners maybe 6 weekends a year, limited parking (I have to park in visitor's car park) makes it hard for us. If approached they are rude and abusive, we are told that they own the house and we can all just F off.
121	Although only use the local services periodically, the local services are STILL being used.
124	This extra charge might make more 2nd home buyers sell up and give the younger starters a chance to stay in the area.
126	Some holiday homes are very rarely used if at all and holiday lets may only be used for 2/3 months per year.
127	Again this is housing which is not available to others who the council are desperate to house. If someone can afford to own 2 homes, they should pay all the costs.
128	Many smaller villages in Wales are almost uninhabited for six to nine months of the year, this due to second homes, at the same time local youngsters cannot find a place to live and they have to move away (this is a disgrace).
129	Because there is a shortage of housing and it would help towards paying for more houses.
130	There are a lot of holiday homes in the county and whether right or wrong it is a luxury when there are people without a home. I think it's reasonable to add a small premium to them.
131	I support the reasons listed but agree that a smaller premium would be appropriate for 'second or holiday' homes. However, I suggest increasing such premium to 50%.
132	If you can afford a second home, then you should pay all costs for keeping it well maintained and pay for the services that are provided.
133	Reduces the need for services such as schools to be maintained if the permanent resident numbers decline.
134	I think there should be more homes for people who need them! Why should people have more than one house?
136	If they can afford a second home, then they should pay a premium.
137	Payment should be made for the pleasure and convenience of a second home.
139	If people can afford second properties then this proposal would enable money to be made available for those who cannot afford a first property.
142	I think Powys CC do a good job with its housing policies, therefore, I would trust it to administer wisely.

144	If owners can afford a second home then they can afford to pay a premium.
145	Because if people can afford a second home then they should pay the appropriate council taxes.
147	To support the local economy.
148	Absolutely it should be 100% as the owners do not contribute to our community and are taking housing for local people and pushing house prices up.
150	Second homes such as a 'pied-a-terre' for work purposes should pay at least full rate. The premium should be modest as services such as refuse collection are not used full time.
151	I believe it is a huge privilege to afford a 2nd home or holiday home so a premium would help to cover the costs of PCC and ease the homelessness of those less fortunate.
152	A second home is a luxury and therefore should have an increase. There is a shortage of homes and second home owners should pay extra.
155	Potentially to "release" more homes for "permanent" residence by sole/family/couple occupiers' main residence.
159	It is only fair they pay as they use the services provided in the area.
160	Periodically owned properties still use the services at some time during the year.
161	Help the local economy
162	Help to the Council Exchequer - especially if staggered over 4 years i.e. 25%, 50%, 75% then 100%
163	It would be fair to occupiers of either a holiday home or second home.
164	Not sure about this question, I do not feel people should be penalised for providing holiday accommodation or using as a private holiday retreat.
165	In Hay houses are being built not for need but for greed. They are being taken out of circulation and used as holiday homes by the tourist industry.
166	Second homes are generally owned as investment (partially) by people who have funds to invest. They skew the market for homes for local people making it more difficult for young people to afford their first homes near their families. If they can afford this luxury, paying a premium Council tax seems appropriate and this should, I believe, be higher than the empty houses are.
167	Many rural homes are being bought as second homes, at inflated prices, so local people are priced out of the market. This premium in my opinion should also apply to holiday chalets which are being built everywhere, increasing traffic and rubbish adding to Council cost.
168	So that empty shells are discouraged.
169	To try and reduce the greed that people have when their property could make someone a home rather than waiting for house values to rise whilst empty.
170	Houses should be occupied let to someone who needs a home.
172	Lack of houses and people need to fill empty houses.

173	Again additional revenue to a cash strapped council.
180	Present usage provides little economic advantage to area. Many second homes are isolated so may not be attractive to full time occupants.
181	Second homes should be charged at full rate.
183	These type of properties should be paying the same as any resident in Powys paying Council tax. Holiday homes are a business to some.
184	Although I am resident of Powys since 1967 I was brought up in Cornwall where second homes have priced locals out of the market in some areas (Padstow for example). Make those who can't best afford it pay for the privilege.
185	The Council tax payments go towards lots of things - schools, libraries, police etc. even if the owner is living there or not.
187	Business, when not occupied by owners they are probably rented.
190	It is not right to raise more money in this way.
191	They could be let short term and it might make owner reconsider selling or letting.
192	Providing the premium does not exceed the average council tax rate for the areas, as council tax is paid based on services and if they are not using these why pay for them.
193	If any person can afford a second home or a holiday home, they can afford a staggered scale of charge depending on their income from the property as if they rented or let the property.
197	Certainly with the number of people desperate for a place to live, it is not fair that people possibly could have several homes, just in case they need a holiday. This does not apply to caravans.
199	Because they are not contributing to local finances contributing to local economy and social cohesion.
202	Owners are making a profit from letting (e.g. holidays periodically).
203	Don't bring or very little into the community etc., school, halls, bus
204	1. To penalise ownership of a second home when many people have no home. 2. Put some of the value of a second home back into the local economy / services.
210	All the amenities - roads, lights, police etc. continue to support the household - whether occupied or not so such a premium - all year should be introduced.

	Appendix D – Comments from panel members who were not in favour of the proposal to introduce a premium on periodically let properties. (second homes / holiday homes)
4	These homes are not long term empty. They are being maintained and used just like ordinary homes. When they are occupied the owners are probably spending money in the community etc.
5	What anyone does with their property is their business and no one else's. Council should get their own house in order! The registering of landlords is another case of this, resulting in less rentals as people will sell to save hassle
12	Do not agree in principle. This is purely a revenue stream for councils
15	Again, owners of such properties presumably consume few council services, so are 'cheap' for the council already, and probably bring much more income to the county in other ways
20	We need people to come to Mid Wales on holiday and bring money into the area.
23	It would be difficult to predict the length of occupancy of let holiday homes as bookings are sometimes at short notice.
25	Discourage holiday lets which will impact tourism, especially if many holiday lets decide to pack it in. After all it is seasonal business and they would be penalised for something they have no or little control over!
27	I don't support discrimination.
28	Again, I do not support a blanket premium. It should be a selective policy applied where housing pressures are present.
30	It would driver away holiday people and lose income.
35	How can you charge more to people who use local services least? How is that possibly fair? I live here 52 weeks a year and enjoy 52 weeks of service for the council tax I pay. How is it possibly right to live here for 3 months, pay full council tax and then 25% extra? How is that democratic? I have answered q1c but only because I could not submit without answering. This is unfair as I choose not to answer this question at all. I hope you remove my answer from the statistics collected.
36	I think having a second/ holiday home in this area is a positive and not a negative on the whole. I doubt that the kind of homes people buy for holidays are competing with for instance first time buyers, though it's probably the case that the demand does exert some upward pressure on the housing market. I know of a number of cases of people who came here for holidays, perhaps owning a house and at some point come and settle here, so I am not sure that penalising 2nd home owners would not be counterproductive.
39	This penalises people who have second or holiday homes. The latter may be a much needed source of income if the property is let for holidays. The increase in CT could result in increased rent and put holiday makers off visiting the area.
45	If a property is being used then I don't think it puts it in the same category as properties being empty for long periods.

46	They bring income to the community when in use and this is extra income. If used by a local person there is no extra income.
49	They should pay Council Tax only. The owners/family or holiday makers benefit the shops and businesses when occupied.
53	Greedy, unfair, will suppress tourism.
55	As an owner of a holiday cottage - I have already spent substantial revenue in achieving the relevant standards set by WTB. The fact that the property is let brings revenue into Powys through tourism. I object strongly to this possible premium. It's hard enough to make any profit at all now.
60	If someone can afford a second home they can afford council tax. If it is a place that is a holiday let it should not be. The owner will be paying tax on income and it is a way of earning money and so should not be subject to council tax.
61	Since this type of property is likely to be cheaper for the council to service, I can see no reason why the council should expect more income.
67	We do not want to discourage holiday makers/visitors from coming to our part of Wales and contributing into community i.e. shops, restaurants etc.
74	As long as Council Tax is paid at the appropriate rate for that property, no extra should be charged.
79	Without specifying the periodicity this is almost impossible to answer.
87	It should be collected in part only as surely council tax will be apportioned.
96	There is already a full charge on such (furnished) properties.
101	This does not encourage people to let properties out. Holiday homes bring much needed tourists to the area.
105	As long as the property is maintained to a set standard and current taxes paid.
106	Tourism is an invaluable element of bringing much wanted revenue into a rural environment. People will be less inclined to provide holiday accommodation if this proposal is introduced. Would the intention be to penalise people who rent out spare rooms on a B&B basis?
111	SECOND HOMES: undecided. HOLIDAY HOMES (for rental) NO. The owners pay (or should pay) tax on their rental income anyway.
112	Social engineering. Infringing civil and personal liberty.
113	Shouldn't discourage holiday homes as they bring a lot of tourist income in which many businesses need to survive.
114	Holiday homes bring revenue to the area and use less services.
117	There is a need for holiday homes for the tourist industry otherwise everyone will go abroad. Why penalise these businesses when they are not having any greater use of local services.
122	As I stated above a lot of these people are of the area has been left to them by family and have moved away to work etc. at least they are already paying council tax which should be charged at the same price as someone there full time.

123	Holiday homes bring money to this area. Holiday home owners already pay full council tax where they live.
138	A number of second homes are owned by Welsh people who want to take their family to Aberystwyth and Borth spending money in Wales.
146	As above and it could reduce tourism in the area.
149	These could belong to families who can only use them occasionally for holidays who live far away, and are sometimes let to holiday makers.
153	You already get Council tax from them and if they are not there for part of the year you are already on a bonus for not supplying services when no one is there.
156	Much better a 2nd home/holiday home than an empty property. If Powys charge a premium and other areas do not this will tend to discourage people from buying a holiday home in Powys - to our detriment? Could then adversely affect property prices which are already very depressed.
157	Why should people be penalised for being better off. Some people work hard for what they have and others just claim off the state and have all the benefits that go with that. You should be spending more time getting people back to work and not penalise people who work hard for their money.
164	Not sure about this question, I do not feel people should be penalised for providing holiday accommodation or using as a private holiday retreat.
174	Many people come to this area during weekends and holiday periods, contributing to the local economy when here.
176	The costs of servicing these homes will be less than servicing a permanently occupied property so the Council already has a benefit i.e. less costs associated with them.
177	This will penalise these people who have worked / saved up to buy a second home. More effort should be made to tackle benefit fraud which is rife in Powys.
178	Where it's a holiday home or second home a full property tax is already being made, then it's fair to say valuable public services are not being used BUT this must be registered as a holiday home with HMRC.
186	If people are not using services but are paying full rate towards them, in effect they are already paying a premium.
188	If you have a holiday home then money is spent in the area without having to supply jobs for those occupants.
189	When the owners are in residence hopefully they will spend money in the area.
190	I disagree with this proposal.
194	People who own second homes do contribute to the local economy.
195	People should not be penalised for owning a holiday home. There is a good case for saying if people are only in residence part of the time the council tax should be less.
200	If the Council tax is already being paid then I do not feel extra charges should be applied.

201	People who own these homes generate income for the Powys economy either through letting or living in them.
205	Not Holiday Lets unless never booked. Unused ones yes! Many people who have second homes are not particularly wealthy, often contribute a lot to the local community and may retire into their second homes. Means test perhaps (3rd and 4th homes - yes). How often used - if once a year then a premium.
206	As stated we need to be looking after people who are self-employed, not make them pay tax on their earning twice.
207	I do not support a premium on holiday homes, they bring in revenue to their community e.g. shops, restaurants etc. and help to maintain employment.
209	People who have converted buildings for letting for holiday purposes should not be penalised.

	Appendix E – Suggestions around where income generated could be spent.
4	Library's, helping local charities, reinstatement of 2 weekly rubbish collections
12	We could always spend more on social engineering. Therefore more Welsh street names. Basically anything that means more money spent on prompting Welsh regardless of the cost.
13	We need more homes and more people in the homes to support local services and businesses.
22	Given it raised from housing both homelessness and adult social care which are both problem areas.
27	Spend it on a police force that actually shows up to your how if you have been stabbed rather than giving your home address and phone number to the person that stabbed you.
29	Allocate as per need and corporate priorities
33	I suggest you use some of the money to support the library service in the county - which is a STATUTORY service but is at great risk currently from yet more cuts. This is not an expensive service but it is vital to the local community and required to be comprehensive and efficiently delivered to all of the community.
37	Public facilities like toilets
41	More teachers in order to reduce class sizes.
42	Solar panels- for schools, as our local primary school has lights on outside at night, permanently
44	Spread the income across all areas
51	Rail transport / public toilets should be statutory provision.
55	Disagree with the whole idea of the scheme.
56	Transport to Hospitals
57	Road in North Powys.
64	Reduce Council Tax rises.
67	Inform of grants to do up etc. Keeping our Day Centres open which are threatened of closure at moment.
68	NHS/Ambulance provision
74	Should not be a premium so no extra money to spend.
77	Keeping up the general appearance of our community, litter, flower baskets, low wattage street lights.
80	More passing places on narrow roads.
91	1. Reduction of council tax for the elderly. 3. Note Highways only - not Transport and Recycling. 5. Note Environmental Health only - not Trading Standards. 9. According to the press there is no homelessness in Powys! 10. Direct them not support them.

110	Public toilets
111	Providing more COUNCIL housing rather than affordable housing.
115	Reducing the Council tax on homes that are occupied.
116	Regenerating Housing Estates
117	Don't raise it in the first place.
118	Allow us to use our travel pass to go into England for shopping and hospital appointments, I am 5 mins from the border and penalised.
119	Assistance for disabled adaptations to homes above what is already done i.e. working disabled not able to access support currently but cannot afford work nor able to access purpose built/adapted properties.
120	Why are there so many people in Wales with special needs? Recycling Services - get rid of it.
123	Council tax premium is a way of getting rid of any money gained from holiday home owners.
128	Put it against the council debt.
130	Supporting local business.
132	Highways only, not Transport and Recycling Services
138	Health Service, no A&E services in Newtown, Mont.
144	Grants to refurbish older properties. We live in Llandrindod Wells it has a lot of properties in need of repair. We are one such place it is very hard to keep it to standard as it was built in 1899. We pay a maintenance charge for each flat owner, but every time we have something done the cost of scaffolding is very high before we even do any work, we do need help.
146	Additional resources for the Police.
149	Make large properties into flats.
151	Good in home care for elderly or incapacitated.
153	An incinerator producing electricity from potential landfill at Llandod or Llandead as it is sometimes called.
155	Equality not 2010 issues, including pupil information (for BME students) grants! Money to be spent on "confidential" delivery of free school meals AND better educational advantages for those NOW (in 28.1.16 ITV/BBC News in Wales) only having 31% of such qualified/entitled students gaining 5 GCSE grades A-C subjects.
157	Money should go back to where it was taken from.
165	Protecting the countryside from over development.
178	Marketing Powys to bring in business.
187	To reduce community charge only. (There should have been a box for this too).
188	Not supplying housing for people who will not work.

193	The extra revenue should not be spent on council expenditure consulting outside bodies to act on matters that the council could do themselves.
196	Regeneration projects important for income

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Cyngor Sir Powys County Council

Single Integrated Impact Assessment (SIIA)

The integrated approach to support effective decision making



The **Single, Integrated, Impact Assessment (SIIA)** toolkit incorporating Welsh Language, Equalities, Well Being of Future Generations Act, Sustainable Development Principles, Communication and Engagement, Safeguarding, Corporate Parenting, Community Cohesion and Risk Management supporting effective decision making and ensuring compliance with respective legislation.

There are a number of pieces of legislation that Powys County Council is subject to, which require us to carefully consider how we make decisions:

Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011

This specifies that the Council must have due regard to:

- **Eliminate** discrimination, harassment and victimisation
- **Advance** equality of opportunity between people who share a relevant protected characteristic and those who do not;
- **Foster** good relations between people who share a protected characteristic and those who do not.

And must:

- Remove or minimise disadvantages experienced by people due to their protected characteristics
- Take steps to meet the needs of people from protected groups.
- Encourage people with protected characteristics to participate in public life or in other activities where their participation is disproportionately low.

The Act describes fostering good relations as tackling prejudice and promoting understanding between people who share a protected characteristic and those who do not. Meeting the duty may involve treating some people more favourably than others, as long as this does not contravene other provisions within the Act.

Wellbeing of Future Generations (Wales) Act 2015

The Wellbeing of Future Generations Act will from April 2016 require all public bodies to demonstrate that we are improving social, economic, environmental and cultural wellbeing, whilst also looking to the future, planning for the long term and ensuring that we don't compromise the ability of future generations to be able to do the same. This is called sustainable development.

The Act sets out 7 Wellbeing Goals:

- **A Prosperous Wales**
- **A Resilient Wales**
- **A Healthier Wales**
- **A More Equal Wales**
- **A Wales of Cohesive Communities**
- **A Wales of Vibrant Culture and Thriving Welsh Language**
- **A Globally Responsible Wales**

We have to demonstrate how we are contributing to all of these goals and following the 5 **Sustainable Development principles**:
Long term, Integration, Collaboration, Involvement and Prevention

Welsh Language (Wales) Measure 2011

- Gives the Welsh language **official status** in Wales
- Establishes the principle that the Welsh language should be treated **no less favourably** than the English language
- Requires public authorities to **comply with standards** relating to Welsh language provision

The Policy Making Standards relate to assessing the impact of policies and decisions on opportunities for persons to use the Welsh language, and on treating the Welsh language no less favourably than the English language. The Council must therefore consider the Welsh Language when we are developing policies and strategies or when considering new ways of providing services.

Integrated Risk Assessment (Legislative Frameworks) - Whilst there is no formal legislation which stipulates that we must formally manage our risks, it is good practice to undertake risk management which is a process that aims to help assess, evaluate and take action on risks with a view to increasing the probability of success and reducing the likelihood of failure to ensure that 'business as usual' is maintained, and which should be regularly monitored to ensure control of our identified risks where required. The outputs from effective risk management include compliance, assurance and **enhanced decision making**. These outputs provide benefits by way of improvements in the efficiency of our operations, successful delivery of our change projects and the efficacy of our corporate objectives.

Risk management should be a continuous process that supports the development and implementation of our corporate planning and budget setting processes. Plans typically focus on a desired future, which is underpinned by a set of reasonable assumptions. However, each of these assumptions carries a level of uncertainty and risk. Using identified risks in the both the corporate planning and budget setting processes will ensure that we make informed decisions based on the current level of risk, and are fully aware of how the risks could either have a negative impact on our ability to deliver our objectives, or how we can exploit opportunities and take advantage of these. Achieving our targeted performance is dependent upon the ability to manage our risks. As we move towards becoming a commissioning council we need to become more intelligent about the risks which we take in order that we can sustain our services with a continually reducing budget. Equally important we must be aware of the risks to avoid to ensure we protect our customers, reputation and financial stability.

The implementation of suitable risk responses should also form part of our corporate planning process, to provide appropriate mitigating controls to our risks based upon the impact and probability identified in the risk assessment process. Risk Management is high on the agenda of Cabinet and Management Team who view the **Risk Register** on a quarterly basis, along with Audit Committee and the Scrutiny Committees. The monitoring process is also embedded in Quarterly Performance Review meetings to ensure that Portfolio Holders are aware of risks within their respective areas.

Cyngor Sir Powys County Council
Single Integrated Impact Assessment (SIIA)
The integrated approach to support effective decision making



Service Area	Income & Awards	Head of Service	Mark Evans	Strategic Director	David Powell
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Policy / Change Objective / Budget Saving	Council Tax Premiums
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Outline Summary
 The Council has discretionary powers, through Legislation, to charge up to a 100% Council tax premium for long-term empty properties and properties that are periodically occupied. Charging a premium will encourage owners of long-term empty and periodically occupied properties to take positive steps to bring properties back into full occupation, through the sale or renting of such properties.

1. SIIA Version Control (services should consider the impact assessment early in the development process and continually evaluate)

Version	Author	Job Title	Date
1	David Morris	Professional lead- Income & Awards	28/01/2016

2. How does your policy / change objective / budget saving impact on the council's strategic vision?

Council Priority	How does the policy / change objective impact on this priority?	Inherent Judgement (I; U; P; N; F; G; E)	What will be done to better contribute to positive or mitigate any negative impacts?	Source of Outline Evidence to support judgement	Residual Judgement (I; U; P; N; F; G; E)
Supporting people in the community to live fulfilled lives	No Impact	N	N/A		
Developing the economy	Positive Impact	F		Council's empty homes strategy & consultation & engagement analysis	F
Improving learner outcomes for all, minimising disadvantage	No Impact	N	N/A		
Remodelling council services to respond to reduced funding	Positive Impact	G	N/A	Assist Council in delivering a balanced budget	G

3. How does your policy / change objective / budget saving impact on the Welsh Government's well-being goals?

Well-being Goal	How does the policy / change objective contribute this goal?	Inherent Judgement (I; U; P; N; F; G; E)	What will be done to better contribute to positive or mitigate any negative impacts?	Source of Outline Evidence to support judgement	Residual Judgement (I; U; P; N; F; G; E)
A prosperous Wales: Efficient use of resources, skilled, educated people, generates wealth, provides jobs.	None	N			
A resilient Wales: Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (eg climate change).	None	N			
A healthier Wales: People's physical and mental well-being is maximised and health impacts are understood.	None	N			
A Wales of cohesive communities: Communities are attractive, viable, safe and well connected.	By increasing the availability of safe & secure housing stock within communities.	F		Welsh Government strategy of "better homes for people in wales" & consultation & engagement analysis	F
A globally responsible Wales: Taking account of impact on global well-being when considering local social, economic and environmental well-being.	none	N			
A Wales of vibrant culture and thriving Welsh language: Culture, heritage and Welsh language are promoted and protected.	none	N			
<i>Opportunities for persons to use the Welsh language</i>					

Cyngor Sir Powys County Council
Single Integrated Impact Assessment (SIIA)
The integrated approach to support effective decision making



	<i>Treating the Welsh language no less favourable than the English language</i>				
	<i>Opportunities to promote the Welsh language</i>				
	<i>People are encouraged to do sport, art and recreation.</i>				
	A more equal Wales: People can fulfil their potential no matter what their background or circumstances.	None	N		
Tudalen 90	<i>Age</i>				
	<i>Disability</i>				
	<i>Gender reassignment</i>				
	<i>Marriage or civil partnership</i>				
	<i>Race</i>				
	<i>Religion or belief</i>				
	<i>Sex</i>				
	<i>Sexual Orientation</i>				
	<i>Pregnancy and Maternity</i>				

4. How does your policy / change objective / budget saving impact on the council's other key guiding principles?

Principle	How does the policy / change objective impact on this principle?	Inherent Judgement (I; U; P; N; F; G; E)	What will be done to better contribute to positive or mitigate any negative impacts?	Source of Outline Evidence to support judgement	Residual Judgement (I; U; P; N; F; G; E)
Sustainable Development					
<i>Long Term: Balancing short term need with long term and planning for the future.</i>	N/A	N			
<i>Collaboration: Working together with other partners to deliver.</i>	N/A	N			
<i>Involvement: Involving those with an interest and seeking their views.</i>	N/A	N			
<i>Prevention: Putting resources into preventing problems occurring or getting worse.</i>	N/A	N			
<i>Integration: Positively impacting on people, economy and environment and trying to benefit all three.</i>	Increasing availability of housing stock within the market place.	F		Councils empty homes strategy document. Consultation & engagement analysis	F
Preventing Poverty: Prevention, including helping people into work and mitigating the impact of poverty.	N/A	N			
Safeguarding: Preventing and responding to abuse and neglect of children, young people and adults with health and social care needs who can't protect themselves.	N/A	N			
Corporate Parenting: Enabling our looked after children to fulfil their potential.	N/A	N			

Tudalen 91

5. What is the risk associated with this Policy / Change Objective / Budget Saving?

Description of risk	Impact (severity)	Probability (deliverability)	Inherent Risk
No risk	None	High	None
Does it have potential to impact on another service area?			
Yes- Private sector housing team – through increased owner contact regarding initiatives such as loan products and Welsh Government’s houses into homes and town centre Loan schemes.			

6. Is there additional evidence to support the Single Integrated Impact Assessment (SIIA)?

What additional evidence and data has informed the development of your proposal?
None

92 Policy / Change Objective Impact Assessment Summary and Judgement

Outline Assessment (to be inserted in cabinet report)	Cabinet Report Reference:		
No risk of impact. If it is determined to charge a premium it would not be on the owner’s main residence, however be in respect of a long-term empty or second/holiday home.			
Judgement (to be included in Corporate or service risk register)			
Very High Risk	High Risk	Medium Risk	Low Risk
			X

8. Mitigating Actions




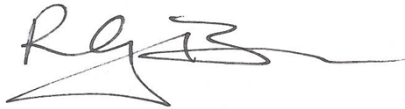
Action	Residual Risk
None	

9. On-going monitoring arrangements?

What arrangements will be put in place to monitor the impact over time?

The number of long-term empty properties & periodically occupied properties will be tracked & monitored.

10. Sign Off

Position	Name	Signature	Date
Service Manager:	David Morris		28/01/2016
Head of Service:	Mark Evans		02/02/2016
Strategic Director:	David Powell		11/02/2016
Deputy Leader Council	Cllr R Graham Brown		12/02/2016

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Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol

CC32- 2016

CYNGOR SIR POWYS COUNTY COUNCIL.

County Council

9 March 2016

REPORT AUTHOR: Chief Executive and Head of Paid Service

SUBJECT: Pay Policy Statement 2016-17

REPORT FOR: Decision

1. Background and Purpose

All English and Welsh Local Authorities are required under local government legislation to produce and publish a Pay Policy Statement each financial year.

This Pay Policy Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It takes account of the Revised Guidance relating to Pay Policy statements issued by the Welsh Government on 25th February 2014, on Pay Accountability in Local Government in Wales.

The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding those working in local authority schools) by identifying the methods by which salaries of all employees are determined. This requires English and Welsh Local Authorities to produce and publish a Pay Policy Statement for each financial year detailing:

- The Council's policies towards all aspects and elements of the remuneration of Chief Officers;
- The approach to the publication of, and access to, information relating to all aspects of the remuneration of Chief Officers;
- The Council's policy on the remuneration of its lowest paid employees (including the definition adopted and reasons for it);
- The relationship between the remuneration of its Chief Officers and other employees.

2. Legislative Framework

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. The Council will aim to ensure there is no pay discrimination within its pay structures by complying with Equal Pay requirements and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

3. Proposal

The attached Pay Policy Statement sets out the Council's arrangements for the pay and remuneration of its employees for financial year 2016-17.

It is proposed that the Council approves the Pay Policy Statement to ensure compliance with Section 38 (1) of the Localism Act 2011.

4. Statutory Officers

The views of the Strategic Director Resources (Section 151 Officer) are that the attached statement ensures we comply with the relevant legislative requirements.

The views of the Solicitor to the Council (Monitoring Officer) are: The Council is required by the Localism Act 2011 to have a Pay Policy Statement

Recommendation:	Reason for Recommendation:
To approve the attached pay policy statement.	Ensure compliance with section 38 (1) of the Localism Act 2011.

Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	Cllr Phil Pritchard
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Person(s) To Implement Decision:	Graham Evans – Professional Lead, Employment Services
Date By When Decision To Be Implemented:	1 st April 2016

Contact Officer Name:	Tel:	Email:
Graham Evans – Professional Lead, Employment Services	01597 826609	graham.evans@powys.gov.uk

Background Papers used to prepare Report:

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POWYS COUNTY COUNCIL

Pay Policy Statement 2016/17

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POWYS COUNTY COUNCIL

Pay Policy Statement 2016/17

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POWYS COUNTY COUNCIL

Pay Policy Statement 2016/17

1. Introduction and Purpose

- 1.1 This Pay Policy statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 (1) of the Localism Act 2011. The Act requires English and Welsh local authorities to produce and publish a pay policy statement each financial year, detailing:
- The authority's policies towards all aspects and elements of the remuneration of chief officers
 - Their approach to the publication of and access to information relating to all aspects of the remuneration of chief officers
 - The authority's policies towards the remuneration of its lowest paid employees (including the definition adopted and reasons for it)
 - The relationship between the remuneration of its chief officers and other employees.
- 1.2 Local authorities are large complex organisations with multi-million pound budgets. They have a very wide range of functions and provide and/or commission a wide range of essential services. The general approach to remuneration levels may therefore differ from one group of employees to another to reflect specific circumstances at a local, Welsh or UK national level. It will also need to be flexible when required to address a variety of changing circumstances whether foreseeable or not.
- 1.3 The Council will continue to develop a Pay Policy and Strategy in this context and will seek to align rewards systems with business objectives. Once approved by the full Council, as required by the legislation prior to 31 March 2016, this pay policy statement will come into effect from 1 April 2016, and will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

2. Legislative Framework

- 2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes:
- Equality Act 2010
 - Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000
 - The Agency Workers Regulations 2010
 - Transfer of Undertakings (Protection of Earnings) Regulations.
- 2.2 With regard to the Equal Pay requirements contained within the Equality Act, the Council will ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

3. Scope of the Pay Policy

- 3.1 The Localism Act 2011 requires authorities to develop and make public their pay policy on all aspects of Chief Officer Remuneration (including on ceasing to hold office), and that pertaining to the 'lowest paid' in the authority, explaining their policy on the relationship between remuneration for Chief Officers and other groups.
- 3.2 Nothing within the provisions of the Localism Act 2011 detracts from the Council's autonomy in making decisions on pay that are appropriate to local circumstances and which deliver value for money for local tax payers.

4. Development of Pay and Reward Strategy

- 4.1 The primary aim of a reward strategy is to attract, retain and motivate suitably skilled staff so that the organisation can perform at its best. The biggest challenge for the council in the current circumstances is to maximise productivity and efficiency within current resources. The pay policy then is a matter of striking a sometimes difficult balance between setting remuneration levels at appropriate levels to facilitate a sufficient supply of appropriately skilled individuals to fill the authority's very wide range of posts, and ensuring that the burden on the taxpayer does not become greater than can be fully and objectively justified.
- 4.2 In this context it does need to be recognised that at the more senior grades in particular, remuneration levels need to enable the attraction of a suitably wide pool of talent (which will ideally include people from the private as well as public sector and from outside as well as within Wales), and the retention of suitably skilled and qualified individuals once in post. It must be recognised that the council will often be seeking to recruit in competition with other good public and private sector employers.
- 4.3 In addition the council is a major employer in the area. As such we must have regard to our role in improving the economic well-being of the people of the County. The availability of good quality employment on reasonable terms and conditions and fair rates of pay has a beneficial impact on the quality of life in the community as well as on the local economy.
- 4.4 In designing, developing and reviewing Pay and Reward strategy the council will seek to balance these factors appropriately to maximise outcomes for the organisation and the community it serves, while managing pay costs appropriately and maintaining sufficient flexibility to meet future needs.

5. Specific Local Factors Affecting Pay Policy

5.1 Local Labour Market Factors

Data from the 2011 Census and other statistics relating to Powys population trends and labour market information indicates a low birth rate and a large outward migration of young people coupled with a large inward migration of older people. Powys is seen as an attractive place to retire and there are limited opportunities for higher education and employment opportunities for young people. Currently the Council employs very few young people under the age of 21 and opportunities for school leavers and graduates have been limited, mainly due to the economic climate and the constraints on budgets. The Council's workforce reflects the community which is steadily getting older and it is recognised that the Council will need to react to this trend by introducing employment and training opportunities for young people if we are to have sufficient skills to sustain services in the future.

5.2 Current Recruitment and Retention Issues

Traditionally Powys County Council has difficulties attracting large numbers of candidates for 'hard to fill' posts. These have tended to be in the areas of Social Care, in particular for Social Workers and Children's Residential Care Workers. This difficulty exists to a lesser degree in other professionally qualified areas such as Planning, Engineering, Legal and Finance. The Council also has an ageing population in comparison to other Local Authorities in Wales and this, combined with the rural nature of the county, means that the Council can experience difficulties with recruitment and retention.

6. Pay Structure

6.1 Current Position

The Council applies the NJC nationally negotiated pay spine as the basis for its grading structure. This determines the salaries of the larger majority of the workforce (with the exception of teachers). The last pay award was effective from the 1st January 2015 and employees within the scale point range 11 – 49 received a 2.2% increase. Employees in the scale point range 5 – 10 received an increase ranging from 7.6% to 2.31%. Please also see 6.4 regarding the Living Wage Foundation rate. The current pay spine is attached at Appendix A.

6.2 Job Evaluation

The Council's systematic approach to determining the value and worth of posts that are currently subject to the NJC nationally agreed pay spine was implemented from the 1st April 2013. This revised pay and grading structure was subject to an equal pay audit. Payment protection paid to staff suffering a detriment was agreed for a 12 month period and ended on the on 31st March 2014.

6.3 Terms and Conditions

In conjunction with the job evaluation process a review of associated terms and conditions has been undertaken which has consolidated the range of nationally and locally negotiated terms which have been agreed through previous collective bargaining. The objective is to apply a single status approach across the authority which is fair for all staff and which also complies with the equality impact assessment.

6.4 Living Wage

With effect from 1 April 2015, the Cabinet agreed to adopt the principles of the non-statutory Living Wage Foundation. The Living Wage Foundation rate is announced in November of each year, and the Council took the decision not to be fully accredited, and therefore reserves the right not to automatically apply any changes to the annually announced rate.

Employees have subsequently been remunerated at the Living Wage Foundation rate of pay where the substantive grade for their post currently falls below that level. This is paid as a Living Wage Supplement, through uplift to the salary points, as outlined in Appendix A.

Following the Cabinet meeting on 18 February 2016, the decision agreed was to apply the current Living Wage Foundation rate effective from 1 April 2016. The rate is an increase of 40p per hour, from £7.85 per hour (£15,144 FTE per annum) to £8.25 per hour (£15,917 FTE per annum).

6.5 Acting Up/Honoraria

On occasions when employees undertake additional responsibilities for a limited period of time, the Head of Service will have the discretion to award an honorarium or acting up payment. This will be applied in line with the Guidance attached at Appendix B.

6.6 Pay and Performance

From April 2015, a new Individual Performance Review (IPR) process was introduced, replacing all previous methods. The Authority expects high levels of performance from all its' employees. Individual performance is managed and supported by line managers, and the relationship between line manager and staff member is key to having engaged, motivated staff, who are enabled in their work and can utilise their ideas to improve service. There are no bonus related pay incentives in place.

7. Accountability and Decision Making

- 7.1 In accordance with statutory requirements and the Constitution of the Council policies relating to the recruitment, pay, terms and conditions, and severance arrangements of all employees of the Council is the responsibility of the Council.

8. Chief Officer Remuneration

8.1 Definition of Chief Officer:

For the purposes of this statement, 'chief officers' are as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below:

- Chief Executive
- Strategic Directors
- Director
- Heads of Service

The above posts are governed by JNC terms and conditions of employment. The last pay award of 2% was effective from the 1st January 2015. The agreement did not apply to Chief Executives and only to FTE salaries of £99,999 or less as at 31st December 2014. Prior to this the last national pay award received by local authority Chief Officers was the 1st April 2008.

The last pay award received by Local Authority Chief Executives was 1st April 2008.

The Council also has a category of employees employed on Senior Manager or SM grades. These grades fall between the top of the NJC pay spine and the bottom of the Head of Service range. These posts are governed by NJC terms and conditions of employment.

The grades for all the above posts are agreed locally and are attached at Appendix C

The Council has a number of posts within the Schools Service and Youth Service that are employed under Soulbury or Youth & Community terms and conditions. The Soulbury grades are attached at Appendix D, with Youth & Community attached at Appendix E.

8.2 Recruitment of Chief Officers

The Council's policy and procedures with regard to the recruitment of Chief Officers is set out within Part 4 of the Constitution. When recruiting to all posts the Council will take full and proper account of its Equal Opportunities, Recruitment and Redeployment policies. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.

8.3 Policy on the Payment of Chief Officers on ceasing to hold office or to be employed by the Council

Should a Chief Officer be in a redundancy situation and no alternative employment can be found they will, like all other employees, be entitled to compensation in line with the Council's Redundancy Compensation Scheme.

The Councils approach to statutory and discretionary payments on termination of employment of chief officers (and all other employees), prior to reaching normal retirement age, is set out within its Early Retirement and Redundancy Policy, in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. This is in respect of a redundancy payment being based on actual weekly earnings (Regulation 5) and when an enhanced redundancy payment of up to 45 weeks would be granted (Regulation 6). Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007 do not apply as the Authority does not increase the total membership of active members (Regulation 12) or award additional pension (Regulation 13).

Decisions relating to any other payments falling outside the provisions or the relevant periods of contractual notice will be taken by those officers and members authorized to do so by the Constitution.

9. Re-employment of Staff

- 9.1 The Council has a Re-employment of Former Employees Policy which came in to effect from 1 September 2014.
- 9.2 The purpose of the policy is to set out the Council's approach to the re-employment of certain categories of ex-employees.
- 9.3 Ex-employees who have left the Council's employment on the grounds of redundancy or efficiency and received redundancy / severance payments and/or early retirement benefits, the Council will not engage such ex-employees on a contract of employment, or through an employment agency, nor engage them in a contract for services, for a period of 12 months from the date of termination of their employment.
- 9.4 Ex-employees who have been dismissed on the grounds of misconduct or lack of capability, or have resigned in circumstances where sufficient evidence existed to convene a formal hearing to consider dismissal on those grounds, will not be re-employed by the Council. The Council will not engage with their services through an employment agency nor under a contract for services, and there is no qualifying period applicable.
- 9.5 The Council recognises that there may be a compelling case for re-employment or re-engagement in some exceptional circumstances, which may be driven by the needs of the Council. Appointments are not made without express permission of the Head of Professional Services and relevant Director, with advice sought from the Section 151 Officer and the Monitoring Officer in respect of financial or legal implications.

10. Remuneration at the Lowest Grades

- 10.1 The lowest paid employees employed under a contract of employment with the Council are employed on full time equivalent salaries in accordance with the minimum NJC spinal column point currently in use within the Council's grading structure. At the moment this is spinal column point 6, £13,614 per annum, however as outlined in 6.4, the Living Wage rate is applied increasing this minimum grade to £15,144 per annum from 1 April 2015, and £15,917 per annum from 1 April 2016.
- 10.2 The Council does run an apprenticeship scheme where individuals are engaged under a fixed term contract for a period of three years. During this time their rates of pay comply with the nationally applied rates for an apprentice and therefore they do not fall into the category of lowest grade or lowest paid in the council.
- 10.3 The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement

11. Pay Relativities within the Authority

- 11.1 The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton Report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Authority's workforce.
- 11.2 The multiples of pay for Powys County Council are as follows:
1. The multiple between the lowest paid full time equivalent employee and the chief executive is 1:8.77 (*Previous year 1:9.84*)
 2. The multiple between the lowest paid employee and mean average chief officer is 1:5.70 (*Previous year 1:7.39*)
 3. The multiple between the median (average) full time equivalent earnings (excluding schools) and the chief executive is 1:6.97 (*Previous year 1:6.47*)
 4. The multiple between the median (average) full time equivalent earnings (excluding schools) and mean average chief officer is 1:4.53 (*Previous year 1:4.86*)

(information based on Payroll data February 2016)

12. Publication

- 12.1 Upon approval by the full Council, this statement will be published on the Council's website.

13. Partnership with Trade Unions

- 13.1 The Council will endeavour to maintain the constructive partnership approach that it has developed with the recognised Trade Unions and will continue to work closely with them on pay related matters. Collective bargaining will be followed as appropriate for any proposed changes to pay and /or allowances.

14. Reviewing the Policy

- 14.1 This Policy outlines the current position in respect of pay and reward within the Council and it will be reviewed over the next year to ensure that it meets the principles of fairness, equality, accountability and value for money for the citizens of Powys. The Policy will be reviewed annually and reported to Council.

Pay Scales for NJC Employees – effective from 1st January 2015

Grade	Scale Point (SCP)	FTE Salary (£)	1/12th Monthly Value (£)	Hourly Rate (365*7/37) (£)	
Grade 1 (0-234 points)	4	-	-	-	
	5	-	-	-	
	6	13,614	1,134.50	7.0565	**
Grade 2 (235-279)	7	13,715	1,142.92	7.1088	**
	8	13,871	1,155.92	7.1897	**
	9	14,075	1,172.92	7.2954	**
Grade 3 (280-324)	10	14,338	1,194.83	7.4318	**
	11	15,207	1,267.25	7.8822	**
	12	15,523	1,293.58	8.0460	**
	13	15,941	1,328.42	8.2626	
Grade 4 (325-369)	14	16,231	1,352.58	8.4130	
	15	16,572	1,381.00	8.5897	
	16	16,969	1,414.08	8.7955	
	17	17,372	1,447.67	9.0044	
Grade 5 (370-414)	18	17,714	1,476.17	9.1816	
	19	18,376	1,531.33	9.5248	
	20	19,048	1,587.33	9.8731	
Grade 6 (415-459)	21	19,742	1,645.17	10.2328	
	22	20,253	1,687.75	10.4977	
	23	20,849	1,737.42	10.8066	
Grade 7 (460-499)	24	21,530	1,794.17	11.1596	
	25	22,212	1,851.00	11.5131	
	26	22,937	1,911.42	11.8889	
Grade 8 (500-539)	26	22,937	1,911.42	11.8889	
	27	23,698	1,974.83	12.2833	
	28	24,472	2,039.33	12.6845	
Grade 9 (540-579)	29	25,440	2,120.00	13.1862	
	30	26,293	2,191.08	13.6284	
	31	27,123	2,260.25	14.0586	
Grade 10 (580-619)	33	28,746	2,395.50	14.8998	
	34	29,558	2,463.17	15.3207	
	35	30,178	2,514.83	15.6421	
Grade 11 (620-649)	36	30,978	2,581.50	16.0567	
	37	31,846	2,653.83	16.5066	
	38	32,778	2,731.50	16.9897	
Grade 12 (650-679)	39	33,857	2,821.42	17.5490	
	40	34,746	2,895.50	18.0098	
	41	35,662	2,971.83	18.4846	
Grade 13 (680-719)	43	37,483	3,123.58	19.4284	
	44	38,405	3,200.42	19.9063	
	45	39,267	3,272.25	20.3531	
Grade 14 (720+)	47	41,140	3,428.33	21.3240	
	48	42,053	3,504.42	21.7972	
	49	42,957	3,579.75	22.2658	

**** Please see Living Wage Foundation Supplement values on next page**

Living Wage Foundation Rates effective from 1 April 2015 and 1 April 2016:

Powys County Council currently applies a discretionary Living Wage supplement to all employees earning less than £7.85 per hour from 1 April 2015, and less than £8.25 from 1 April 2016. The Living Wage supplement is not guaranteed and is subject to regular review by the Council, is non contractual and can be removed at any time.

The following Grades and Scale points were uplifted to £7.85 per hour from 1 April 2015, and £8.25 from 1 April 2016:

Grade	Scale Point (SCP)	From 01/04/2015			From 01/04/2016		
		FTE Salary (£)	1/12th Monthly Value (£)	Hourly Rate (365*7/37) (£)	FTE Salary (£)	1/12th Monthly Value (£)	Hourly Rate (365*7/37) (£)
Grade 1 (0-234 points)	4	-	-	-	-	-	-
	5	-	-	-	-	-	-
	6	15,144	1,262.00	7.85	15,917	1,326.42	8.25
Grade 2 (235-279)	7	15,144	1,262.00	7.85	15,917	1,326.42	8.25
	8	15,144	1,262.00	7.85	15,917	1,326.42	8.25
	9	15,144	1,262.00	7.85	15,917	1,326.42	8.25
Grade 3 (280-324)	10	15,144	1,262.00	7.85	15,917	1,326.42	8.25
	11	15,207	1,267.25	7.8822	15,917	1,326.42	8.25
	12	15,523	1,293.58	8.0460	15,917	1,326.42	8.25

Acting Up / Honoraria and Relief Arrangements

Cover for Managers /Supervisors

Acting up allowances will be paid in the event of a temporary and unforeseen absence of a manager or supervisor where an employee is required to cover the duties of the post for more than one calendar month. Cover provided for absences less than this will not be paid.

Where an absence is likely to be lengthy, e.g Maternity Leave, managers must consider making an appointment to the temporary vacancy through advertisement to a wider field of potential applicants.

Once cover extends beyond one month then employees will be paid the difference between their own rate and the job evaluated rate for the job being covered, backdated to the beginning of the period of cover. A minimum of one spinal column point higher will be paid. A percentage of the difference in rate may be made to reflect a lesser range of responsibilities being covered. Percentage acting up allowances may be paid to more than one member of a team if responsibilities are being shared. Where full duties are shared the acting allowances should be equal to the full difference in salary.

Honoraria

On occasion when employees undertake additional responsibilities for a limited period of time the Head of Service will have the discretion to award an honorarium. This will not be a full job evaluated rate given the time limits on the responsibilities however the job evaluation scheme can be used to help establish a reasonable honoraria rate. If the additional duties are outside the usual knowledge and skill requirements it maybe necessary to use market information (in accordance with the market supplement policy) to establish a payment level. Honoraria should cease after 12 months. If the additional duties continue then an evaluated rate must be established, if necessary with a market premium, in accordance with the market Supplement Policy.

Relief / Casual Arrangements

Where there is a business requirement for a relief duty officer e.g as part of a duty roster a single fixed job evaluated rate for the relief role should be established and paid as a change of rate for the period during which the employee covers the duty requirements.

Casual workers are entitled to the evaluated rate for the job unless they are not required to cover the full duties of the job. If this is the case then a casual worker job evaluated rate must be established. The casual worker is entitled to any allowances arising from non standard working in the same circumstances as an established employee

Chief Officer & Senior Manager Pay Scales – effective from 1st January 2015

Type	Description	Grade	SCP	New Salary
Senior Manager	Senior Manager 2	SM2	003	48,023
			004	49,848
			005	50,396
			006	51,675
	Senior Manager 1	SM1	009	54,779
			010	56,240
			011	57,701
			012	59,162
Heads of Service	Heads of Service 3	HS3	013	59,119
			014	60,566
			015	62,002
			016	63,448
	Heads of Service 2	HS2	017	64,251
			018	66,394
			019	68,535
			020	70,677
	Heads of Service 1	HS1	021	72,818
			022	74,960
			023	77,102
			024	79,244
Director	Director 2	D2	025	80,560
			026	82,773
			007	84,986
			028	87,200
	Director 1	D1	029	91,384
			030	93,596
			031	95,809
			032	98,022
Strategic Directors		SD1	033	98,343
			034	100,556
			035	100,753
			036	102,923
Chief Executive		CE1	037	124,407
			038	127,206
			039	130,005
			040	132,804

The Chief Executive is also the Returning Officer and payment for these duties for each electoral division or community ward is made as follows:

Contested Election	£110
Uncontested Election	£ 55

Returning Officer fees for national elections and referenda are paid by central government.

**Soulbury Pay Agreement
– effective from 1st March 2015**

Soulbury Educational Improvement Professionals (EIPs)	
Spinal point	Rates From 1-Mar-15
001	33,396
002	34,592
003	35,721
004	36,865
005	38,003
006	39,142
007	40,338
008	41,487
009	42,828
010	44,023
011	45,203
012	46,346
013	47,640
014	48,792
015	50,066
016	51,219
017	52,373
018	53,507
019	54,676
020	55,280
021	56,441
022	57,452
023	58,566
024	59,564
025	60,633
026	61,674
027	62,740
028	63,819
029	64,902
030	65,983
031	67,054
032	68,143
033	69,232
034	70,347
035	71,458
036	72,603
037	73,728
038	74,866
039	75,988
040	77,109
041	78,237
042	79,362
043	80,488
044	81,619
045	82,747
046	83,876
047	85,010
048	86,134
049	87,262
050	88,391

Educational Psychologists

SCALE A

Educational Psychologists - Scale A	
	Salary
SCP	1-Mar-15
1	35,027
2	36,805
3	38,583
4	40,360
5	42,137
6	43,914
7	45,588
8	47,261
9	48,829
10	50,398
11	51,861

SCALE B

Educational Psychologists - Scale B	
	Salary
SCP	1-Mar-15
1	43,914
2	45,588
3	47,261
4	48,829
5	50,398
6	51,861
7	52,462
8	53,584
9	54,696
10	55,828
11	56,937
12	58,068
13	59,219
14	60,330
15	61,495
16	62,649
17	63,810
18	64,970

Young People's/Community Service Managers Spine (formerly Youth & Community)	
SCP	Salary 1-Mar-15
1	34,637
2	35,770
3	36,903
4	38,059
5	39,234
6	40,380
7	41,553
8	42,885
9	43,620
10	44,754
11	45,883
12	47,013
13	48,135
14	49,269
15	50,404
16	51,542
17	52,686
18	53,822
19	54,952
20	56,107
21	57,284
22	58,487
23	59,715
24	60,969

**JNC for Youth & Community Workers
– effective from 1st March 2015**

Support Worker Range

SCP	Annual FTE Salary 01/03/2015	
001	14,597	First Level
002	15,207	
003	15,817	
004	16,431	
005	17,041	
006	17,651	
007	18,267	Second Level
008	18,880	
009	19,659	
010	20,269	
011	21,254	
012	22,219	
013	23,213	
014	24,243	
015	24,945	
016	25,678	
017	26,398	

Professional Range

SCP	Annual FTE Salary 01/03/2015	
013	23,213	
014	24,243	
015	24,945	
016	25,678	
017	26,398	
018	27,125	
019	27,845	
020	28,566	
021	29,378	
022	30,298	
023	31,193	
024	32,092	
025	32,999	
026	33,904	
027	34,811	
028	35,728	
029	36,639	
030	37,549	
031	38,163	*
032	39,173	*

* Discretionary Points

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CYNGOR SIR POWYS COUNTY COUNCIL

County Council

9th March 2016

REPORT AUTHOR: County Councillor John Brunt, Portfolio Holder for Highways

SUBJECT: Question from County Councillor Kelvyn Curry

I was recently contacted by a local cancer support charity, the Bracken Trust, concerned that PCC had increased its charges for temporary road closures from £130 to £330, an increase of over 150%. This makes the cost of running one of their most popular fund-raising events round the lake in Llandrindod Wells prohibitively expensive, and will similarly impact the fund-raising ability of other charities who run events of this type throughout Powys.

In reply to a number of questions I asked the Portfolio Holder recently, he admitted that “No impact assessment was undertaken when the cost of the temporary orders was increased in October 2015”, so it is unclear whether the increase will actually result in more revenue as it may well deter charities from running these events at all. Furthermore, we do not know what the effect will be on the fund-raising ability of these charities at a time when PCC is relying increasingly on local community groups and the Third Sector to take over functions previously operated by the Council.

The Portfolio Holder has stated that he anticipates the new fees will generate an income of £12,920 this year as opposed to £6,120 last year. However, without an impact assessment, this is impossible to know. £6,120 may not even be achieved! As it stands, PCC may very well have a decrease in income as local community groups and the Third Sector decide not to organise this type of fund raising event, and the organisations themselves will certainly lose income by this type of fund raising activity becoming uneconomic (costing more to run than it will generate). In fact, a double whammy, everyone loses!

In light of this, and the fact that many (but not all) Welsh councils do not charge for road closures relating to community or non-profit events, would it not be prudent for the Portfolio Holder to revert to the previous charging structure of fees for temporary road closures until a full impact assessment has been carried out? At that time a reasoned way forward could be developed, based on evidence, not a hunch.

Charges for Traffic Regulation Orders are permitted under the Local Authorities (Transport Charges) Regulations 1998. Section 4 of these Regulations stipulate the Local Authority should have regard to the costs incurred with dealing with the matter when determining the charge to be levied. Table 2 Item 5 of the regulations places the onus on the Event Organiser to pay the charges for ‘Anything done by the Local

Authority in connection with or in consequence of an order made or to be made by them under section 16A'

The Town Police Clauses Act 1874 does permit this Authority to close roads however this is not appropriate legislation to close roads for sporting events such as the run and cycle event that the Bracken Trust organises. These types of event require a closure under section 16A of the Road Traffic Regulation Act 1984.

An Order is needed in the first place because the Police will not place an officer on the highway for a planned event without one.

As Members will be aware we are facing difficult times going ahead and where possible, departments should seek to fully cost recover for the services they provide. Clearly the legislation allows this Authority to do this for making Traffic Regulation Orders for events upon the highway. The cost of a temporary traffic order was last set in 2003, some 13 years ago and since then the charge remained the same until the review was undertaken in October 2015. Costs are worked out based on average time spent drafting notices etc and placing them on site (there are also significant costs associated with advertising Orders). The review formed part of a full Fees and Charges review for Highways Transport and Recycling in October 2015.

Looking at some of the other Local Authorities in Wales, charges range from £2157 to no charge being raised. There is no consistent approach across Wales. However it is evident that this Authority does not charge as significantly as some other Councils and it is therefore considered our charging is proportionate for the work involved.

Since the two events the Trust organises propose to use the same section of highway it is possible to combine the events into one order this minimising the costs as much as possible, this would attract a single repeat order fee of £330. The only other alternative would be for the Trust to consider their options on whether to hold such event upon a highway or make any necessary changes to permit the event on the highway without requiring the closure. We will work with the Trust and other charitable organisations to support them the best we can with their arrangements in this regard.

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CYNGOR SIR POWYS COUNTY COUNCIL.

FULL COUNCIL

9th March 2016

REPORT AUTHOR: County Councillor Wynne Jones
Portfolio Holder for Finance

SUBJECT: TREASURY MANAGEMENT STRATEGY STATEMENT &
ANNUAL INVESTMENT STRATEGY

REPORT FOR: Decision

Summary

1. Introduction

- 1.1 This Treasury Management Strategy Statement and Annual Investment Strategy report is a requirement of the CIPFA Code of Practice on Treasury Management and a requirement under the Local Government Act 2003. It has regard to the 2010 Guidance on Local Government Investments issued by the Welsh Assembly Government which requires the Treasury Management Strategy Statement and Annual Investment to be approved by Full Council.
- 1.2 The report details the expected activities of the Treasury function in the forthcoming financial year 2016/17, in respect of borrowing and investments.
- 1.3 The report requires an appropriate strategy for borrowing and investing for the financial year 2016/17.
- 1.4 The Strategy will be monitored throughout the year and will be revised for approval by Full Council if there are any significant changes necessary due to such things as the following:-
 - updates in legislation/guidance
 - changes in the economy/financial outlook which may affect the Authority's Strategy
 - changes in the financial position of the Authority.

2. Revised CIPFA Code of Practice on Treasury Management 2011

- 2.1 In 2009 CIPFA revised the Code of Practice on Treasury Management, the Cross Sectoral Guidance Notes and the template for the Treasury Management Policy Statement (see Appendix A). In December 2011 CIPFA issued a further revised edition of the Code of Practice. It is a requirement of the Code that this Authority should formally adopt the key principles of the Code and this was done by Cabinet on 14th February 2012 (see Appendix B).

2.2 The Code emphasises a number of key areas including the following:-

- i. All authorities must formally adopt the revised Code
- ii. The strategy report will affirm that the effective management and control of risk are prime objectives of the Authority’s treasury management activities
- iii. The Authority’s appetite for risk must be clearly identified within the strategy report and will affirm that priority is given to security of capital and liquidity when investing funds and explain how that will be carried out
- iv. Responsibility for risk management and control lies within the organisation and cannot be delegated to any outside organisation
- v. Credit ratings should only be used as a starting point when considering risk. Use should also be made of market data and information, the quality financial press, information on government support for banks and the credit ratings of that government support
- vi. Authorities need a sound diversification policy with high credit quality counterparties and should consider setting country, sector and group limits
- vii. Borrowing in advance of need is only to be permissible when there is a clear business case for doing so and only for the current capital programme or to finance future debt maturities
- viii. The main annual treasury management reports must be approved by Cabinet/Full Council
- ix. There needs to be, at a minimum, a mid-year review of treasury management strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved
- x. Each Authority must delegate the role of scrutiny of treasury management strategy and policies to a specific named body
- xi. Treasury management performance and policy setting should be subject to scrutiny prior to implementation
- xii. Members should be provided with access to relevant training
- xiii. Those charged with governance are also personally responsible for ensuring they have the necessary skills and training
- xiv. Responsibility for treasury management activities must be clearly defined within the organisation
- xv. Officers involved in treasury management must be explicitly required to follow treasury management policies and procedures when making investment and borrowing decisions on behalf of the Authority.

2.3 The Authority will adopt the following reporting arrangements in accordance with the revised Code of Practice:-

Report/Document	Committee	Frequency
Treasury Management Policy Statement and Practices	Audit Committee followed by Cabinet	When changes require
Treasury Management Strategy and Annual Investment Strategy	Full Council	Annually before the start of financial year
Treasury Management Quarterly Reports	Audit Committee followed by Cabinet	Quarterly
Treasury Management Annual Review	Audit Committee followed by Cabinet	Annually by 30 th Sept after the end of financial year

3. Economic Background and Forecasts

- 3.1 The economic background is attached at Appendix C. The information contained therein is considered in the formulation of this Treasury Management Strategy Statement and Investment Strategy.
- 3.2 The most recent forecast of interest rates for 2016/17 by the Authority's advisor is:

	Mar16	Jun16	Sep16	Dec16	Mar17	Jun17	Sep17	Dec17
Bank rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%
5yr PWLB	1.70%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%	2.60%
10yr PWLB	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
25yr PWLB	3.20%	3.20%	3.30%	3.30%	3.50%	3.50%	3.60%	3.60%
50yr PWLB	3.00%	3.00%	3.10%	3.10%	3.30%	3.30%	3.40%	3.40%

4. Borrowing Strategy

- 4.1 The Authority's Capital Financing Requirement (CFR) is the amount of capital expenditure that is not financed from revenue resources, capital grants and other contributions and capital receipts. Any expenditure that is not financed from these resources increases the authority's underlying need to borrow. Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through external borrowing or utilising temporary cash resources within the Council.

The Authority is currently maintaining an under borrowed position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cashflow has been used as a temporary measure. This is a prudent and cost effective approach in the current economic climate of low interest rates and is a good use of the Council's cash.

The Authority's estimated closing Capital Financing Requirement (CFR) for 2015/16 is £307.3M. If no borrowing takes place within the remainder of the current financial year, the outstanding debt at 31st March 2016 will be £226.4M showing that the Authority is currently borrowed well below its CFR. Analysis of the balance sheet confirms the Authority to be in an internally borrowed position which, as mentioned above, is a prudent and cost effective approach in the current climate of low interest rates. The current Capital budget for 2016/17 is £48.8M.

- 4.2 Investment returns are likely to remain relatively low during 2016/17 and beyond. Borrowing rates were highly volatile during 2015 as alternating bouts of good and bad news promoted optimism and then pessimism in financial markets. The

policy of avoiding new borrowing by running down cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times when the Authority will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance matured debt. There will remain a cost of carry to new borrowing which results in increased investments (albeit temporarily) as there will be a revenue loss between borrowing costs and investment returns.

In view of the authority's position and the above interest rate forecast the Authority will monitor interest rates and will, when required, give consideration to new borrowing as follows:-

- PWLB loans for up to 15 years
- Short dated borrowing from non PWLB sources.

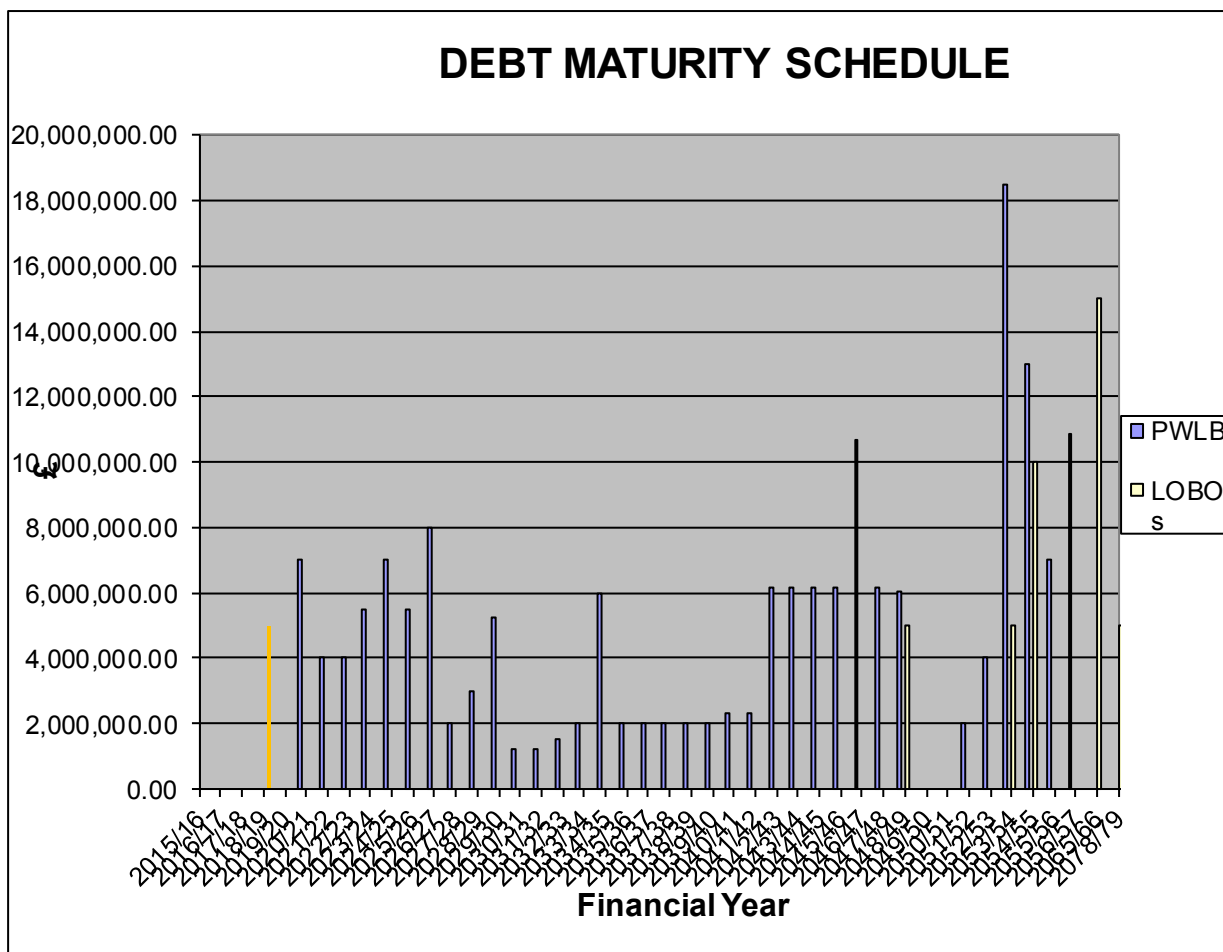
4.3 PWLB Certainty Rate:

In 2012-13, the Government introduced a 20 basis points (bps) discount on loans from the Public Works Loan Board (PWLB) under the prudential borrowing regime for those principal local authorities providing improved information and transparency on their locally-determined long-term borrowing and associated capital spending plans. The Government said it would also work with the local authority sector to consider the potential for an independent body to facilitate the provision of PWLB lending at a reduced rate to authorities demonstrating best quality and value for money. This certainty rate continues to be available and this Authority has registered its interest in this preferred rate option.

4.4 Estimated Debt Maturity Profile as at 01.04.16:

(please click on the graph below and increase the percentage in the View option of the toolbar above for an enhanced view)

Members will see that the debt maturity profile is fairly even across the years. This maturity profile has been managed as such, so as to ensure that there is no undue preponderance in any particular year which may put the Authority's financing and cashflow position at risk.



5. Debt Rescheduling

5.1 The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt, which was compounded on 20th October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has meant that PWLB to PWLB debt restructuring is now much less attractive than before both of these events.

5.2 However, as short term borrowing rates will be considerably cheaper than longer term 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 their short term nature and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio. The cost of any debt repayment i.e. premiums incurred will also be taken into consideration.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings,
- helping to fulfil the strategy outlined in paragraph 4 above, and
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

5.3 All rescheduling will be reported to Cabinet as soon as is practicable.

6. Policy on borrowing in advance of need

6.1 The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed (this is referenced in paragraph 7.14). Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure value for money can be demonstrated and that the Authority can ensure the security of such funds.

6.2 In determining whether borrowing will be undertaken in advance of need the Authority will:

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

7. Investments

7.1 *Investment Policy:*

7.1.1 The Authority has regard to the 2011 edition of the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA TM Code”) and the Welsh Assembly Government Guidance on Local Government Investments.

7.1.2 The Authority’s investment priorities are: -

- (a) the security of capital and
- (b) the liquidity of its investments.

7.1.3 The Authority will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Authority has been low in order to give priority to security of its investments.

7.1.4 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Authority will not engage in such activity.

7.1.5 The minimum amount that is to be held during the financial year in investments other than long-term is Nil.

7.2 *Derivatives:*

7.2.1 The 2011 Code of Practice introduced various references to the use of hedging tools such as derivatives. It is not this Authority's intention to make use of such tools.

7.3 *Definition of Investments – Specified and Non-Specified:*

7.3.1 The Local Government Act 2003 refers to specified and non-specified investments. The Welsh Assembly Government's Guidance on Local Government Investments, effective from 1st April 2010, defines the following:-

Specified Investments:

An investment is a specified one if all of the following apply:-

- (a) it is denominated in sterling and any payments or repayments in respect of it are payable only in sterling
- (b) the investment is not a long-term one i.e. one which is due to be repaid within 12 months of the date on which the investment was made or one which may require to be repaid within that period
- (c) the making of the investment is not defined as capital expenditure by virtue of regulation 20(1)(d) of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 [SI 3239 as amended]
- (d) the investment is made with a body or in an investment scheme of * high credit quality or with one of the following public sector bodies:
 - i. the UK Government
 - ii. a local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland
 - iii. a parish or community council.

* High credit quality is defined in Paragraph 7.5 below.

Non-specified Investments:

- (i) An investment is non-specified if it does not meet the above definition.

There are various innovative products on offer which fit this criteria, many of which do so because their initial and maturity value can differ. The spirit of the 2004 National Assembly for Wales guidance was to ensure that authorities had the skills to assess any such products prior to possible commitment. Our advisors have confirmed that officers within Powys have the ability and knowledge to assess the value of such products. Any such assessment will involve determining a high credit quality in line with Paragraph 7.5 below.

As per Prudential Indicator 16.3.3 below the Authority has a maximum limit for investments held for a period of over 364 days.

As per Paragraph 7.7 below the Authority has a maximum limit to be held in Money Market Funds of £50M.

7.4 *Creditworthiness policy:*

- 7.4.1 This Authority uses the creditworthiness service provided by Capita Asset Services although the Authority has adopted a position that is slightly more risk averse than Capita's suggested list in respect of counterparties and durations.
- 7.4.2 Capita uses a sophisticated modelling approach with credit ratings from all three main 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
 - CDS (credit default swap) spreads to give early warning of likely changes in credit ratings
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 7.4.3 This approach is in line with the CIPFA Code of Practice which states that "credit ratings should only be used as a starting point when considering credit risk". Authorities should also use financial press, market data, information on government support for banks and the credit ratings of that government support.
- 7.4.4 The main rating agencies have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors such as regulatory capital levels. In some cases these factors have "netted" each other off to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the Fitch Support and Viability ratings and have seen the Moody's Financial Strength rating withdrawn by the agency.
- 7.4.5 In keeping with the agencies' new methodologies, the rating element of Capita's credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard and Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress, however, that the other key elements of the process i.e. the assessment of Rating Watch and Outlook information as well as the CDS overlay have not changed.
- 7.4.6 The evolving regulatory environment in tandem with the rating agencies' new methodologies, also means that sovereign ratings are now of lesser importance in the assessment process. Where, through the crisis, authorities typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this Authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating (per 7.6.1 below).

7.4.7 It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less creditworthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks as they are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now.

7.4.8 Capita's modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes can be used by the Authority to determine the suggested duration for investments and are therefore referred to as durational bands:-

- Yellow - 5 years
for UK Government debt or its equivalent, money Market funds and collateralised deposits where the collateral is UK Government debt
- Dark pink - 5 years
for Enhanced Money Market Funds with a credit score of 1.25
- Light pink - 5 years
for Enhanced Money Market Funds with a credit score of 1.5
- Purple - 2 years
- Blue - 1 year
only applies to nationalised or semi nationalised UK Banks
- Orange - 1 year
- Red - 6 months
- Green - 100 days
- No Colour - not to be used

7.4.9 A copy of the current full credit rating list is being sent to members alongside this report for information regarding which banks fall into each duration.

7.4.10 The 2011 revised Code of Practice advises that authorities have regard for all the ratings issued by all three main agencies and to make their decisions based on all ratings. The advisors' creditworthiness service corresponds with this as it uses the ratings from all three agencies but, by using a scoring system, does not give undue preponderance to just one agency's ratings.

7.5 “High” credit quality:

- 7.5.1 It is proposed that the Authority continue with the following in respect of defining a “high” credit quality. If a rating is not available from any of the rating agencies then the available ratings will be used. Members will note that this proposal excludes investments with some banks off the advisors’ suggested list:-

Long Term Ratings (in respect of long-term investments):

Permitted Fitch Ratings	Permitted Moody’s Ratings	Permitted S&P Ratings
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-

Short Term Ratings (in respect of short-term investments):

Permitted Fitch Ratings	Permitted Moody’s Ratings	Permitted S&P Ratings
F1+	N/A	A-1+
F1	P-1	A-1

- 7.5.2 All credit ratings will be monitored daily. The Authority is alerted to changes to ratings of all three agencies through its use of the advisors’ creditworthiness service.
- 7.5.3 Any institution which drops below any of the above ratings will be removed from the Authority’s counterparty list for investments. Any investments held with the counterparty will also be reviewed in order to establish whether the premature maturity of the investment should be sought.
- 7.5.4 In addition to the use of Credit Ratings the Authority will also be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority’s investment list. Any investments held with the counterparty will also be reviewed in order to establish whether the premature maturity of the investment should be sought.
- 7.5.5 Sole reliance will not be placed on the use of this external service. In addition the Authority will also use market data and information, information on government support for banks and the credit ratings of that government support.

7.6 Country limits:

- 7.6.1 It is proposed that the Authority will use approved counterparties from the UK and approved counterparties from other countries with the following sovereign credit ratings:-

Permitted Fitch Ratings	Permitted Moodys Ratings	Permitted S&P Ratings
AAA	Aaa	AAA

The list of countries (excluding the UK) that qualify using this credit criteria as at the date of this report are shown in Appendix D. This list will be added to or deducted from by officers should ratings change.

7.6.2 Our advisor's view is that all Authorities should avoid a concentration of investments in too few counterparties or countries but that a suitable spreading approach in itself is likely to be sufficient given the safeguards already built into its creditworthiness service.

As such the following limits are proposed:-

Country	Maximum Investment per Country	Credit Rating/Other Assessment of Risk
AAA countries (listed at Appendix D)	£20M (held in call accounts)	As per rating list
UK	No Maximum Investment	As per rating list

7.7 *Group/Institutions - Counterparty Criteria/Limits:*

The current limits per the 2015/16 Strategy are as follows:-

Specified Investments (2015/16):

Institution	Maximum Investment per Group/Institution £M	Maximum Length	Credit Rating/Other Assessment of Risk
UK Banks	20 (a maximum £10M to be held in fixed term investments)	Up to 364 days	As per Capita's matrices and the Authority's definition of a high credit rating
Foreign Banks	5	Up to 364 days	As per Capita's matrices and the Authority's definition of a high credit rating
Other Local Authorities	25	Up to 364 days	N/A

Non-Specified Investments (2015/16):

Institution	Maximum Investment per Group/Institution £M	Maximum Length	Credit Rating/Other Assessment of Risk
UK Banks	10 (£2M limit with any one institution)	Up to 2 years	As per Capita's matrices and the Authority's definition

			of a high credit rating
Lloyds Bank (as a mortgage lender in the LAMS scheme)	5	Up to 5 years	N/A
Foreign Banks	2	Up to 2 years	As per Sector's matrices and the Authority's definition of a high credit rating
Money Market Funds (max. of 5)	10	N/A	All are AAA rated plus the parents/owners must meet the Authority's short term investment criteria
Other Local Authorities	10	Up to 2 years	N/A
European Investment Bank Bonds	3	2-3 years	N/A
<i>Note: Limits for Specified and Non-Specified are combined limits. The maximum limit will also apply to a banking group as a whole.</i>			

It is proposed that the limits above remain the same for 2016/17.

8. The Local Authority Mortgage Scheme (LAMS)

- 8.1 The Authority is currently participating in the cash backed mortgage scheme which requires the Authority to place a five year deposit matched to the life of the indemnity. This is outlined in the investment criteria above.

9. Investment Strategy

- 9.1 In-house funds:
The majority of the Authority's in-house managed funds are cash flow derived. However, this has and will continue to decrease as per the information in 4.1 above.
- 9.2 The suggested budgeted investment returns from the Authority's advisors are:

2016/17	0.60%
2017/18	1.25%

Members should be aware that these returns are unlikely to be achieved by this Authority whilst cash levels are low and hence being kept in liquid accounts.

- 9.3 The Authority currently has no investments that are longer-term. It is unlikely that the Authority will lock into further longer term deals while investment rates are down at historically low levels and due to the reduction in cash balances.

9.4 For its cash flow generated balances, the Authority will seek to utilise its business reserve accounts, fixed term deposits (if appropriate) and money market funds.

10. Policy on the use of external service providers

10.1 The Authority currently uses Capita Asset Services as its external treasury management advisors. This contract was awarded following a competitive process and runs to 31st August 2018.

10.2 The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed on external service providers.

10.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority 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. This review will incorporate assessing the following:-

- level of technical expertise/advice
- appropriateness of advice given
- value of information provided i.e. market commentaries, forecasts, etc.
- value of training given
- attendance at meetings

11. Scheme of delegation

11.1 (i) Full Council

- approval of annual strategy

(ii) Audit Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

(iii) Cabinet

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of amendments to the Authority's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers.

12. Role of the section 151 officer (Chief Financial Officer)

12.1 The S151 officer will have responsibility for:

- recommending clauses, 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
- recommending the appointment of external service providers.

13. Treasury Management Training

13.1 The Authority recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity. There are two categories of relevant individuals: -

- treasury management staff employed by the Authority
- members charged with governance of the treasury management function.

13.2 All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. All treasury management staff are required to be members of an appropriate professional body and, in line with the continuing professional development requirements of these professional bodies, the Authority operates a Professional Development Review system which identifies the training requirements of individual members of staff engaged on treasury related activities. Additionally, training is also provided in the job and it is the s the level of training appropriate to their duties.

13.3 Details of Approved Training Courses

Treasury management staff and members will go on courses provided by our treasury management advisors, CIPFA, etc.

13.4 Records of Training received by Treasury Staff

As required by their relevant professional bodies, treasury management staff will maintain records of training they receive.

13.5 Approved Qualifications for Treasury Staff

It is the Authority's policy that the Treasury Manager and the Senior Accountancy Assistants are qualified to at least AAT level.

13.6 Members

The CIPFA Code of Practice states that members charged with governance (all members as the annual strategy requires approval by Full Council) have a personal responsibility to ensure that they have the appropriate skills and training for their role. To aid this, the Authority holds two briefing sessions per year for members and members should ensure that they attend at least one of these each year.

14. **Pension Fund Cash**

The Authority will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, which were implemented on 1st Jan 2010. From 1st April 2010 the Pension fund has its own bank accounts although, due to use of the Authority's financial systems, a small amount of pension fund cash remains pooled with the Authority's cash balances for investment purposes. Any investments made by the pension fund directly with this local authority will comply with the requirements of SI 2009 No 393.

15. **Treasury Management Budget**

A requirement of the Authority's Treasury Management Policy Statement is that a summary treasury management budget is included in the Strategy report. This is attached at Appendix E.

16. **CIPFA Prudential Code - Prudential and Treasury Indicators**

16.1 The following indicators, required by the CIPFA Prudential Code, are included as part of the annual budget report :-

- authorised limit for external debt
- operational boundary for external debt
- actual external debt

16.2 Prudential and Treasury Indicators are relevant for the purposes of setting an integrated treasury management strategy and, as such, the indicators required to be included as part of this strategy are as follows:-

16.3.1 *Interest Rate Exposure:*

The setting of upper and lower limits for interest rate exposures has the effect of creating ranges within which the Authority will limit its exposure to both fixed and variable interest rate movements.

The current limits are as follows:-

Fixed rates	140%
Variable rates	60%

As dictated by the Code of Practice this indicator for fixed and variable limits is calculated by looking at the net position between debt and investments. The following table shows an example of the Authority's position and clearly shows what the Indicator is trying to achieve in that the investments we hold in variable rate contracts easily outweigh those in fixed rates:

	Debt	Investments	Net Debt
	£,000	£,000	£,000
Total at Fixed Rates	115,804	4	115,800
Total at Variable Rates	35,000	25,295	9,705
Total	150,804	25,299	125,505
	%	%	%
Fixed Debt less investments (net position)	76.79%	0.02%	92.27%
Variable Debt less investments (net position)	23.21%	99.98%	7.73%

It is proposed that the limits above remain the same for 2016/17.

16.3.2 Maturity Structure of Borrowing:

Local authorities are exposed to the risk of having to refinance debt at a time in the future when interest rates may be volatile or uncertain. This indicator is designed to assist authorities in avoiding large concentrations of fixed rate debt that has the same maturity structure and would therefore need to be replaced at the same time. It is recommended that the Authority sets upper and lower limits in each period as a percentage of its total borrowings.

The current limits are as follows:-

	Upper Limit	Lower Limit
Under 12 months	40%	0%
12 months to 2 years	40%	0%
2 years to 5 years	40%	0%
5 years to 10 years	40%	0%
10 years to 20 years	40%	0%
20 years to 30 years	40%	0%
30 years to 40 years	40%	0%
40 years to 50 years	40%	0%

It is proposed that the limits above remain the same for 2016/17.

16.3.3 Principal sums invested for periods longer than 364 days:

This indicator is used to demonstrate that the Authority has taken into account all the resources available for investment. This is to minimise the possibility that

longer-term investments will need to be realised early which might have disadvantageous results. This indicator is also used to demonstrate that the Authority is not borrowing more than it needs to, or in advance of its needs, purely to profit through investment from the extra borrowing.

The current limit is set at £10M.

It is proposed that this limit remains at £10M for 2016/17 although it is unlikely to be utilised.

Proposal

It is proposed that Council approves the Treasury Management Strategy Statement and Annual Investment Strategy.

Statutory Officers

The Strategic Director – Resources (s151 officer) has made the following comment:

“The Treasury Management Strategy Statement and Annual Investment Strategy forms a key part of the Council’s overall approach to borrowing and investments. The report ensures the authority complies with relevant legislation and the Code of Practice on Treasury Management.”

The Solicitor to the Council (Monitoring Officer) has made the following comment:

“I have nothing to add to the report.”

Future Status of the Report

Not applicable

Recommendation:		Reason for Recommendation:	
That Council approves the Treasury Management Strategy Statement and Annual Investment Strategy		Statutory Requirement	
Relevant Policy:		Treasury Management Policy	
Within Policy:	Y	Within Budget:	Y
Person(s) To Implement Decision:		Ann Owen – Treasury Manager	
Date By When Decision To Be Implemented:		1st April 2016	

Contact Officer Name:	Tel:	Fax:	Email:
Ann Owen	01597 826327	01597 826290	ann.owen@powys.gov.uk

Background Papers used to prepare Report:

CIPFA Code of Practice on Treasury Management and Cross Sectoral Guidance Notes
 Treasury Management Policy Statement
 Advisors’ Information
 WAG Guidance on Local Government Investments 2010

Appendix A:

Treasury Management Policy Statement

1. This organisation defines its treasury management activities as: “The management of the 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”.
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered into to manage these risks.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.”

Appendix B:

1. This Authority adopts the key principles of CIPFA's *Treasury Management in the Public Services : Code of Practice (2011 Edition)*, as described in Section 4 of that Code as follows:-

Key Principle 1:

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

Key Principle 2:

Their policies and practices should make clear that the effective management and control of risks are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds.

Key Principle 3:

They should acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that, within the context of effective risk management, their treasury management policies and practices should reflect this.

In framing these recommendations, CIPFA acknowledges the difficulties of striving for effective risk management and control, whilst at the same time pursuing value for money. This code does not seek to be prescriptive about how this issue should be handled, particularly since it covers such a wide variety of organisations. However, where appropriate, the sector specific guidance notes give suitable advice. CIPFA recognises that no two organisations in the public services are likely to tackle this issue in precisely the same manner but success in this area of treasury management is likely to be viewed, especially in value for money terms, as an indicator of a strongly performing treasury management function.

Even though it dates back to 1991, CIPFA considers that the report by the Treasury and Civil Service Committee of the House of Commons on the BCCI closure is still pertinent, wherein it was stated that:

In balancing risk against return, local authorities should be more concerned to avoid risks than to maximise returns.

Indeed this view was supported by the Communities and Local Government Select Committee report into local authority investments in 2009.

It is CIPFA's view that throughout the public services the priority is to protect capital rather than to maximise return. The avoidance of all risk is neither appropriate nor possible. However, a balance must be struck with a keen responsibility for public money.

2. Accordingly, the Authority will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- suitable treasury management practices (TMPs) setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Authority. Such amendments will not result in the Authority materially deviating from the Code's key principles.

3. The Authority will also have regard for the Guidance on Local Government Investments issued by the Welsh Assembly Government and effective from 1st April 2010.
4. Full Council will receive the annual strategy report as recommended in the Welsh Assembly Guidance on Local Government Investments and the Authority's Cabinet will receive reports on its treasury management policies, practices and activities, including, as a minimum, a mid year review and an annual report after its close, in the form prescribed in its TMPs.
5. The Authority delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Chief Financial Officer, who will act in accordance with the Authority's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
6. The Authority nominates Audit Committee to be responsible for ensuring effective scrutiny of treasury management policies, practices and performance.

Appendix C:

ECONOMIC BACKGROUND

UK UK GDP growth rates of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country. The 2014 growth rate was also the strongest UK rate since 2006 and, although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2.2%. Quarter 1 2015 was weak at +0.4% (+2.9% y/y), although there was a slight increase in quarter 2 to +0.5% before weakening again to +0.4% (+2.1% y/y) in quarter 3 and then picking up to +0.5% (2.2%) in quarter 4.

The Bank of England's February Inflation Report included a forecast for growth to remain around 2.2% – 2.4% over the next three years. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.1%.

Since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK. Bank of England Governor Mark Carney has set three criteria that need to be met before he would consider making a start on increasing Bank Rate. These criteria are patently not being met at the current time, (as he confirmed in a speech on 19 January):

- *Quarter-on-quarter GDP growth is above 0.6% i.e. using up spare capacity. This condition was met in Q2 2015, but Q3 came up short and Q4 looks likely to also fall short.*
- *Core inflation (stripping out most of the effect of decreases in oil prices), registers a concerted increase towards the MPC's 2% target. This measure was on a steadily decreasing trend since mid-2014 until November 2015 @ 1.2%. December 2015 saw a slight increase to 1.4%.*
- *Unit wage costs are on a significant increasing trend. This would imply that spare capacity for increases in employment and productivity gains are being exhausted, and that further economic growth will fuel inflationary pressures.*

The MPC (Monetary Policy Committee) has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. However, it is unlikely that the MPC would start raising rates until wage inflation was expected to consistently stay over 3%, as a labour productivity growth rate of around 2% would mean that net labour unit costs would still only be rising by about 1% y/y. The November 2015 Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. However, the first round of falls in oil, gas and food prices in late 2014 and in the first half of 2015, will fall out of the 12 month calculation of CPI during late 2015/early 2016 but only to be followed by a second, subsequent round of falls in fuel and commodity prices which will delay a significant tick up

in inflation from around zero. According to the February 2016 Inflation Report, CPI inflation is now expected to get back to around 1% by the end of 2016 but not get near to 2% until the latter part of 2017.

However, with the price of oil having fallen further in January 2016, and with sanctions having been lifted on Iran enabling it to sell oil freely into international markets, there could well be some further falls still to come in 2016. The price of other commodities exported by emerging countries could also have downside risk and several have seen their currencies already fall by 20-30%, (or more), over the last year. These developments have led to the Bank of England lowering the pace of increases in inflation in its February 2016 Inflation Report. On the other hand, the start of the national living wage in April 2016 (and further staged increases until 2020), will raise wage inflation. However, it could also result in a decrease in employment so the overall inflationary impact may be muted. For now, the Bank of England is forecasting further falls in unemployment to circa 4.8%.

Confidence is another big issue to factor into forecasting. Recent volatility in financial markets could dampen investment decision making as corporates take a more cautious view of prospects in the coming years due to international risks. This could also impact in a slowdown in increases in employment. However, consumers will be enjoying the increase in disposable incomes as a result of falling prices of fuel, food and other imports from emerging countries, so this could well feed through into an increase in consumer expenditure and demand in the UK economy, (a silver lining!). Another silver lining is that the UK may not be affected as much as some other western countries by a slowdown in demand from emerging countries, as the EU and US are our major trading partners.

There is, therefore, considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are, accordingly, arguments that rates ought to rise sooner and quicker, so as to have some options available for use if there was another major financial crisis in the near future. However, it is unlikely that either would aggressively raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has, therefore, been pushed back progressively over the last year from Q4 2015 to Q1 2017. Increases after that are also likely to be at a much slower pace and to much lower final levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers and householders than they did before 2008. The referendum on membership of the EU in June 2016 could impact on MPC considerations to hold off from a first increase until the uncertainty caused by this has passed.

The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20 and this timetable was maintained in the November Budget.

USA GDP growth in 2014 of 2.4% was followed by Q1 2015 growth, which was depressed by exceptionally bad winter weather, at only +0.6% (annualised). However, growth rebounded remarkably strongly in Q2 to 3.9% (annualised) before falling back to +2.0% in Q3 and then retreating to +0.7% in Q4.

Until the turmoil in financial markets in August, caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Fed would start to increase rates in September. The Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, as well as a 20% appreciation of the dollar which has caused the Fed to lower its growth forecasts. Although the non-farm payrolls figures for growth in employment in August and September were disappointingly weak, the October figure was stunningly strong while November was also reasonably strong (and December was outstanding). This, therefore, opened up the way for the Fed to embark on its first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate and, to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

EZ In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but has then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3. The initial reading for Q4 is 0.3% also. Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Greece During July, Greece finally capitulated to EU demands to implement a major programme of austerity. An €86bn third bailout package has since been agreed although it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the initial resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so a Greek exit from the euro may only have been delayed by this latest bailout.

Portugal and Spain The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost their majority of seats. A left wing / communist anti-austerity coalition has won a majority of seats in Portugal. The general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats. It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

China and Japan Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In Q2 2015 quarterly growth shrank by -0.2% after a short burst of strong growth of 1.1% during Q1, but then came

back to +0.3% in Q3 after the first estimate had indicated that Japan had fallen back into recession; this would have been the fourth recession in five years. Japan has been hit hard by the downturn in China during 2015 and there are continuing concerns as to how effective efforts by the Abe government to stimulate growth and increase the rate of inflation from near zero, are likely to prove when it has already fired the first two of its 'arrows' of reform but has dithered about firing the third i.e. deregulation of protected and inefficient areas of the economy.

As for China, the Government has been very active during 2015 and the start of 2016 in implementing several stimulus measures to try to ensure the economy hits the growth target of about 7% for 2015. It has also sought to bring some stability after the major fall in the onshore Chinese stock market during the summer and then a second bout in January 2016. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure that the EU would be envious of. Nevertheless, there are growing concerns about whether the Chinese economy could be heading for a hard landing and weak progress in rebalancing the economy from an over dependency on manufacturing and investment to consumer demand led services. There are also concerns over the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September and again in January 2016, which could lead to a flight to quality to bond markets. In addition, the international value of the Chinese currency has been on a steady trend of weakening and this will put further downward pressure on the currencies of emerging countries dependent for earnings on exports of their commodities.

Emerging countries There are also considerable concerns about the vulnerability of some emerging countries and their corporates, which are getting caught in a perfect storm. Having borrowed massively in dollar denominated debt since the financial crisis, (as investors searched for yield by channelling investment cash away from western economies with dismal growth, depressed bond yields and near zero interest rates into emerging countries), there is now a strong flow back to those western economies with strong growth and a path of rising interest rates and bond yields.

The currencies of emerging countries have therefore been depressed by both this change in investors' strategy, and the consequent massive reverse cash flow, and also by the expectations of a series of central interest rate increases in the US which has caused the dollar to appreciate significantly. In turn, this has made it much more costly for emerging countries to service their dollar denominated debt at a time when their earnings from commodities are depressed by a simultaneous downturn in demand for their exports and a deterioration in the value of their currencies. There are also likely to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates.

Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by the sovereign wealth funds of those countries that are highly exposed to falls in commodity prices and which, therefore, may have to liquidate investments in order to cover national budget deficits.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Capita Asset Services undertook its last review of interest rate forecasts on 12 February 2016. Our Bank Rate forecasts (and also MPC decisions) will be liable to further amendment depending on how economic data evolves over time. There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 1 of 2017.

The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. At some future point in time, an increase in investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently to the downside, given the number of potential headwinds that could be growing on both the international and UK scene. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

However, the overall balance of risks to our Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if recovery in GDP growth, and forecasts for inflation increases, are lower than currently expected. Market expectations in February 2016, (based on short sterling), for the first Bank Rate increase are currently around quarter 1 2018.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed. rate increases, causing a flight to safe havens
- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- Uncertainty around the risk of a UK exit from the EU. The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Appendix D:

Approved Countries for Investment

AAA

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

Appendix E:

Summary Treasury Management Budget

	2016/17 £	2015/16 £
Employees	165,000	160,000
Transport	1,788,000	3,250,000
Supplies and Services	193,000	190,000
Interest Paid	10,185,000	7,050,000
Debt Management Expenses	6,000	6,000
Gross Expenditure	12,337,000	10,656,000
Interest Received	0	0
Gross Income	0	0
Net Expenditure	12,337,000	10,656,000

Notes:

- Transport is the Authority's leasing costs – leasing is classified as a Treasury Management activity.
- Supplies and Services includes the following main items:-

Bank and card charges	175k
Treasury /Leasing Advice	15k
- The Interest Paid figure for 2016/17 does not include Prudential Borrowing costs.
- Interest Received has no budget as cash balances have significantly reduced. Any interest received in respect of cash surpluses may need to be used to offset borrowing costs for negative cash balances.

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