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Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

Dydd Mercher, 13 Medi 2017

Hysbysiad o gyfarfod:

Cyngor Sir

Dydd Iau, 21ain Medi, 2017 at 2.00 pm,
Council Chamber - Council Chamber

AGENDA

Prayers will be said prior to the Council meeting at 4.55pm. All members are welcome to join the Chairman for prayers should they wish to do.

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2.	Fforwm Agored i'r Cyhoedd	
3.	Cyhoeddiad y Cadeirydd a Derbyn Deisebau	1 - 2
4.	Datganiadau o Fuddiant	
5.	I gadarnhau'r cofnodion o'r cyfarfod a gynhaliwyd ar y 27ain o Orffennaf 2017	3 - 14
6.	I nodi'r rhestr weithred o'r cyfarfod a gynhaliwyd ar y 27ain o Orffennaf 2017	15 - 16
7.	Rhestr o Gynigion	
7.1.	Cynnig o'r Cynghorydd Sir G. Howard Mae Cyngor Sir Fynwy'n croesawu'r cadarnhad o Ysgrifennydd y Cabinet dros yr Economi ac Isadeiledd, Ken Skates AS, bod dyluniadau rhagarweiniol am groesfan cerddwyr ar Bont Llanellen yn awr wedi'u drafftio. Mae'r Cyngor yn credu bod y sefyllfa ar hyn o bryd lle does dim dewis i gerddwyr heblaw am ddodi eu hunain yn erbyn llifiau traffig trwm gyda blaenwelededd gwael yn beryglus dros ben ac yn anamddiffynadwy. O ganlyniad, anogir Llywodraeth Cymru rhoi'r flaenoriaeth uchaf i'r cynllun hwn ac mae'r Cyngor yn cynnig ei gymorth i helpu gweithredu datrysiad	

	chwim.	
8.	Adroddiadau'r Prif Swyddog, Adnoddau	
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	Gwahardd y cyfryngau a'r cyhoedd o'r cyfarfod yn ystod ystyriaeth yr eitem fusnes hon ar y sail ei bod yn cynnwys datgeliad tebygol o wybodaeth eithriedig.	
11.	Cwestiynau Aelodau	
11.1.	O'r Cynghorydd Sir D.Batrouni i'r Cynghorydd Sir P. Murphy	
	Faint o erwau o dir Cyngor sydd wedi cael ei werthu gan y Cyngor yn (i) 2016-17 (ii) 2015-16 (iii) 2014-15?	
12.	O'r Cynghorydd Sir P. Pavia i'r Cynghorydd Sir P. Fox	
	Bydd Arweinydd y Cyngor yn gwneud datganiad ynglŷn â'r hyn y mae'r awdurdod yn ei wneud i hyrwyddo a datblygu prosiectau isadeiledd trafniadaeth strategol yn ne'r sir, i wella iechyd a lles preswylwyr Cas-gwent?	

Prif Weithredwr

CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Cynghorwyr Sir:

D. Batrouni
D. Blakebrough
M. Powell
V. Smith
P. Clarke
D. Dovey
A. Easson
R. Edwards
D. Evans
P.A. Fox
R.J.W. Greenland
L. Guppy
R. Harris
J. Higginson
G. Howard
S. Howarth
D. Jones
P. Jones
S. Jones
S.B. Jones
P. Jordan
P. Murphy
B. Strong
F. Taylor
A. Watts
A. Webb
K. Williams
J.Becker
L.Brown
A.Davies
L.Dymock
M.Feakins
M.Groucutt
R.John
L.Jones
M.Lane
P.Pavia
J.Pratt
R.Roden
T.Thomas
J.Treharne
J.Watkins
S. Woodhouse

Gwybodaeth Gyhoeddus

Mynediad i gopiâu papur o agendâu ac adroddiadau

Gellir darparu copi o'r agenda hwn ac adroddiadau perthnasol i aelodau'r cyhoedd sy'n mynychu cyfarfod drwy ofyn am gopi gan Gwasanaethau Democrataidd ar 01633 644219. Dylid nodi fod yn rhaid i ni dderbyn 24 awr o hysbysiad cyn y cyfarfod er mwyn darparu copi caled o'r agenda hwn i chi.

Edrych ar y cyfarfod ar-lein

Gellir gweld y cyfarfod ar-lein yn fyw neu'n dilyn y cyfarfod drwy fynd i www.monmouthshire.gov.uk neu drwy ymweld â'n tudalen Youtube drwy chwilio am MonmouthshireCC. Drwy fynd i mewn i'r ystafell gyfarfod, fel aelod o'r cyhoedd neu i gymryd rhan yn y cyfarfod, rydych yn caniatáu i gael eich ffilmio ac i ddefnydd posibl y delweddau a'r recordiadau sain hynny gan y Cyngor.

Y Gymraeg

Mae'r Cyngor yn croesawu cyfraniadau gan aelodau'r cyhoedd drwy gyfrwng y Gymraeg neu'r Saesneg. Gofynnwn gyda dyledus barch i chi roi 5 diwrnod o hysbysiad cyn y cyfarfod os dymunwch siarad yn Gymraeg fel y gallwn ddarparu ar gyfer eich anghenion.

Nodau a Gwerthoedd Cyngor Sir Fynwy

Cymunedau Cynaliadwy a Chryf

Canlyniadau y gweithiwn i'w cyflawni

Neb yn cael ei adael ar ôl

- Gall pobl hŷn fyw bywyd da
- Pobl â mynediad i dai addas a fforddiadwy
- Pobl â mynediad a symudedd da

Pobl yn hyderus, galluog ac yn cymryd rhan

- Camddefnyddio alcohol a chyffuriau ddim yn effeithio ar fywydau pobl
- Teuluoedd yn cael eu cefnogi
- Pobl yn teimlo'n ddiogel

Ein sir yn ffynnu

- Busnes a menter
- Pobl â mynediad i ddysgu ymarferol a hyblyg
- Pobl yn diogelu ac yn cyfoethogi'r amgylchedd

Ein blaenoriaethau

- Ysgolion
- Diogelu pobl agored i niwed
- Cefnogi busnes a chreu swyddi
- Cynnal gwasanaethau sy'n hygyrch yn lleol

Ein gwerthoedd

- **Bod yn agored:** anelwn fod yn agored ac onest i ddatblygu perthnasoedd ymddiriedus
- **Tegwch:** anelwn ddarparu dewis teg, cyfleoedd a phrofiadau a dod yn sefydliad a adeiladwyd ar barch un at y llall.
- **Hyblygrwydd:** anelwn fod yn hyblyg yn ein syniadau a'n gweithredoedd i ddod yn sefydliad effeithlon ac effeithiol.
- **Gwaith tîm:** anelwn gydweithio i rannu ein llwyddiannau a'n methiannau drwy adeiladu ar ein cryfderau a chefnogi ein gilydd i gyflawni ein nodau.

Chairman's Report 23rd July – 9th September

Sunday 23 rd July 3 p.m.	Chepstow Town Council – Civic Reception Bulwark Community Centre, Chepstow
Sunday 30 th July 3 p.m.	Abergavenny Town Council – Civic Service Abergavenny Baptist Church
Thursday 3rd August	<i>Citizenship Ceremony</i>
Saturday 5 th August 2 p.m.	Lord Mayor's Garden Party and Strawberry Tea The Mansion House, Fyfone
Sunday 6 th August 6 p.m.	High Sheriff of Gwent – Garden Party Nelson Garden, Monmouth
Wednesday 9 th August 3 – 5 p.m.	Afternoon Tea at the Vale of Glamorgan Agricultural Show Fonmon Castle Grounds
Saturday 12 th August	Chepstow Show Chepstow Racecourse
Saturday 19 th August 4.30 p.m.	Exhibition of Artwork The Nelson Museum, Monmouth
Sunday 20 th August 11 a.m.	Holywell Community - Service followed by Picnic Lunch St Mary's Priory Church
Friday 25 th August 12.30 p.m.	Torfaen Play Service – Presentations to play service staff for Torfaen, Blaenau Gwent and Monmouthshire Victory Church, Torfaen
Monday 28 th August 6.30 p.m.	Festival Lunch Reception St Mary's Priory Centre
Thursday 31 st August 11 a.m.	Rhondda Cynon Taf – Civic Service St John's Church, Porth
Friday 1 st September 1.30 p.m.	Funeral of Mayor of Neath Port Talbot Council St David's Church, Neath
Sunday 3 rd September 2 – 5 p.m.	Tour of Fonmon Castle followed by Afternoon Tea Fonmon Castle, Barry
Wednesday 6 th September	Queen's Baton Relay for the 2018 Commonwealth 2018 Monmouth School, Monmouth
Thursday 7th September	<i>Citizenship Ceremony</i>
Saturday 9 th September All Day	Usk Show Usk Showground, Gwernesney Nr Usk
Saturday 9 th September 6.30 p.m.	Caldicot Male Voice Choir Gala Concert Caldicot Leisure Centre

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Public Document Pack Agenda Item 5

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of County Council held
at Council Chamber - Council Chamber on Thursday, 27th July, 2017 at 2.00 pm**

PRESENT: County Councillor M. Powell (Chairman)
County Councillor P. Clarke (Vice Chairman)

County Councillors: D. Batrouni, D. Blakebrough, V. Smith, D. Dovey, A. Easson, R. Edwards, D. Evans, P.A. Fox, R.J.W. Greenland, L. Guppy, R. Harris, J. Higginson, G. Howard, S. Howarth, D. Jones, P. Jones, S. Jones, S.B. Jones, P. Jordan, P. Murphy, B. Strong, A. Watts, A. Webb, K. Williams, J.Becker, L.Brown, A.Davies, L.Dymock, M.Feakins, R.John, L.Jones, M.Lane, P.Pavia, J.Pratt, R.Roden, T.Thomas, J.Treharne and S. Woodhouse

OFFICERS IN ATTENDANCE:

Kellie Beirne	Chief Officer, Enterprise
Roger Hoggins	Head of Operations
Joy Robson	Head of Finance/Section 151 Officer
Nicola Perry	Senior Democracy Officer
Claire Marchant	Chief Officer Social Care, Health & Housing
Ian Saunders	Head of Tourism, Leisure and Culture

APOLOGIES:

County Councillors F. Taylor, M.Groucutt and J.Watkins

2. Public Open Forum

None.

3. Chairman's Announcement and receipt of petitions

Council received the Chairman's announcement.

County Councillor A. Easson presented a petition on behalf of residents of Park Road, Caldicot with regards to rubbish discarded at a property.

4. Declarations of interest

None.

5. To confirm the minutes of the meeting held on 29th June 2017

The minutes of the meeting of County Council held on 29th June 2017 were confirmed as a correct record and signed by the Chairman.

6. To note the Action List of the meeting held on 29th June 2017

We received the Action List from the meeting held on 29th June 2017. In doing so:

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- With regards to the '63 is the new 60' motion, it was questioned if the proposal has been forwarded appropriately and that Members receive a copy. The Deputy Chief Executive agreed that a written response would be issued to both Central Government and the campaign group.
- With regards to Zero Hour Contracts, the Chief Executive had not responded to an email from Councillor Blakebrough. The Deputy Chief Executive acknowledged this and explained that a comprehensive written response would be circulated to all Members by the end of the following working day.
- Councillor Eason awaited a response to his query regarding the allocation of 106 monies in Portskewett. This had been omitted from the Action List but assurance was provided that a written response would be provided by the end of the following working day.

7. To receive the minutes of Audit Committee:

7.1. 16th March 2017

We noted the minutes of the meeting of the Audit Committee held on 16th March 2017.

7.2. 25th May 2017

We noted the minutes of the meeting of Audit Committee held on 25th May 2017.

8. To receive the minutes of Democratic Services Committee:

We noted the minutes of the Democratic Services Committee meeting held on the 3rd April 2017.

In doing so, Councillor S. Howarth queried if the actions on the Actions list had been carried forward. Councillor Evans confirmed that this had been the first meeting of the new committee and that any outstanding the actions would be addressed at the next meeting.

8.1. 3rd April 2017

We noted the minutes of the meeting of Democratic Services Committee held on 3rd April.

In doing so, it was agreed that the follow up of actions would be addressed at the next meeting.

9. Notices of Motion

9.1. Motion from County Councillor S. Jones

This council calls on the Welsh Government to accept the proposals in our response to their Open Market Review consultation which sought views on the data that will inform further work to extend the reach of Superfast Broadband across Wales. This council acknowledges the digital divide that is impacting both urban and rural communities, and recognises the growing frustration that is felt by many residents who have inadequate broadband provision. Given the fact that Monmouthshire is the second most competitive authority in Wales with the highest rate of business births, we ask that the Welsh Government prioritises Monmouthshire under the next deployment of Superfast Cymru 2 due to take place in early 2018.

Councillor Jones credited Cath Fallon and Mike Powell who have worked tirelessly on this issue, supporting communities. Councillor Jones assured Members, that should the motion be supported she would take this forward as a priority for our residents and would hope to see positive outcomes.

The motion was duly seconded.

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Debate ensued:

Councillor Blakebrough thanked the Cabinet Member for highlighting the devastating consequences for not only Monmouthshire, but also Wales, of not being included in the first round, and thanked her for the report highlighting the strong case for Monmouthshire being one of the first authorities in the phase 2 roll out. She expressed concern that Phase 1 had been political in that Monmouthshire were at the back of the queue.

Members recognised the problems for residents and businesses alike, and concerns were raised that there was difficulty in encouraging people into the area with no appropriate infrastructure in place.

Councillor Batrouni expressed support for the motion but highlighted concerns requesting assurance from the Cabinet Member that funding would not be squandered away as had been the case in the past, and for detail of the specific measures.

Councillor Jones responded that there were serious questions to be raised beyond the motion in terms of accountability for the first round of funding. She added there is no divide between rural and urban areas, other than a digital divide. In response to Councillor Batrouni's questions there are excellent examples of where we are delivering in this field, an example being the work undertaken by Mike Powell in terms of the TV white space project. In terms of KPIs we would work with a provider to ensure we get the digital infrastructure in place and to ensure that people access the provision.

Upon being put to the vote the motion was carried. Councillor Jones would submit a supplementary paper to UK Government highlighting the support of Council.

The Chairman invited the Cabinet Member for Governance to present the following statement to Council:

You will have no doubt seen the announcement by the Cabinet Secretary for Finance and Local Government last week on the call for Councils in Wales to work more closely together and to share and pool resources and services. Emphasis in the Cabinet Secretary's speech, was placed on increasing integration of 'back office' functions with stated examples around revenues, payroll and legal services and also, the subject of wider electoral reforms. The position on the requirement for Councils to work more collaboratively and closely together has already been set out in the LG White Paper, giving life to an agenda around LG Reform. This Council submitted a full response to the consultation paper 'Renewed and Resilient' in April 2017 and LG Reform continues to be a matter debated and discussed ongoing by our Democratic Services Committee. The content of the White Paper is now expected to be rolled forward into a wider LG Bill in 2018. In the meantime, we can expect to see more of a focus on working together in areas of functional geography – economic development, strategic planning and transport – as we are for example through the Cardiff Capital Region City Deal. The Cabinet Secretary has maintained his commitment to 22 LAs as the 'front door' for local people, stating behind the door, the collaborative regional agenda needs to quickly develop.

The final detail of the Cabinet Secretary's proposals are awaited and Monmouthshire will have the opportunity to feed into and input into the process. With our Leader as vice-chair of the CCR City Deal Joint Cabinet and our leadership of regional economic programmes such as the Compound Semi-Conductor Project, strong representation on the Regional Transport Authority, Regional Planning Group, the Education Achievement Service and now, the Local Government Reform Task and Finish Group convened by WG – we can play a key role in shaping and informing what is to come. Our strong position remains alongside the focus on form and footprint, we must give real consideration to issues of the function and purpose of local

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government and the services it provides, in order that we remain viable; and legitimate and relevant to the communities we are so privileged to serve.

The Chairman accepted an emergency motion from County Councillor S. Howarth:

The motion is graded as an emergency motion (Human rights, health & safety, blight on people's lives, also Equalities act) after receiving late response from the Welsh Government/Costains engineering and Construction UK on a matter which is felt of significant importance for everyone using the Gateway to Wales the A465 Trunk Road. Would this council support that the chief executive and the leader of the council seek an urgent meeting, with reassurances from the Welsh Government and their contractor Costains UK, that all measures are put in place to inform every user travelling into Wales and also commuting in Wales, in respect of road closures on the A465 Gilwern to Brynmawr Trunk road. Its apparent now that some measures are in place but are not being used, we are seeking reassurances from the Welsh Government that in future that all the technology possible is used.

The motion was seconded and debate ensued:

Councillor Pratt agreed with the comments regarding signage, She had attended a meeting with the Community Council and the Head of Operations in June when better signage was suggested. An update from the Head of Operations was requested. She pressed for Elected Members to be invited to meetings between the Council, Welsh Government and Costain to avoid future communication issues.

Councillor Howard supported the motion, commenting that communication initially took local views into account but this has now deteriorated and there is no access to officer meetings, and many more closures than originally promised with lack of notice.

Councillor Williams supported the motion and expressed concern about Costain's traffic management, and referred to the company's unwillingness to engage in discussion.

Councillor Blakebrough observed that the A465 is the Gateway to Wales and the road closures are preventing tourism, and added that Welsh Government should listen to concerns from local residents.

Councillor Thomas supported the motion commenting that his understanding was that the signs were bi-lingual. There was agreement that road signs should not only be available in Welsh.

The Leader expressed his sympathy with local members having personally experienced the congestion in the area. He agreed that the voice of local residents must be heard and was pleased to hear that there is a meeting on Monday, and that there had been a meeting with the Head of Operations to look at possible solutions. He acknowledged that there was only one matrix sign available to warn of the closure, that it had insufficient space to be bi-lingual and had to be in Welsh. He stated that signage required urgent action and supported the motion, and suggested that the matter could be addressed at the meeting on Monday. He suggested that a letter could to be sent immediately to the Cabinet Minister.

The Head of Operations provided an update that there had been meetings including a public meeting with the Council, Costain and Welsh Government that resulted in a list of actions that will be raised by officers with Costain, and also at meetings with the Council, Costain and Welsh Government that Elected Members are able to attend.

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Councillor Howarth responded that he didn't feel the meeting on Monday would make a difference. He pressed for a meeting of the Chief Executive and the Leader of the Council with Welsh Government and their Costain.

The Leader of the Council expressed his willingness to attend a meeting in September.

The motion was carried.

10. Reports of the Chief Officer, Social Care, Health and Housing

10.2. Annual Report of the Statutory Director of Social Services

Council was presented with the statutory Annual Report of the Chief Officer, Social Care, Health and Housing.

- Referring to the statement that timescales for completing assessments for have not been good enough, a Member questioned if there are enough staff to compile Judiciary reports for looked after children. The Chief Officer highlighted the need for a constructive relationship with the judiciary commenting on the challenge for this, and other Councils in the region, to prepare reports to the required high standards, and the need to provide training and support for staff.
- A Member queried the budget for community care asking how services will be funded sustainably in Monmouthshire and Wales in the long term referring to the demands of an aging population and the removal of the Severn Bridge tolls. A further question was asked about standards of care which can seem variable and asked how services, especially for those with dementia, can be delivered with insufficient resources.

The Chief Officer assured that options can be explored to help people to lead better lives that are also more cost effective. The in house homecare service specialises in dementia care and provides relationship based support. The authority is working with the independent sector to introduce the same style of working by moving towards block contracts and supporting their training, development and recruitment. As Turning the World Upside Down proceeds there will be changed contracts, practice and financial rewards aligned to a single approach by in house, private and Health Board services. Regarding price, the authority will work with external providers to understand true costs and develop a cost recommendation. Preparations are also required for the challenges of registration with Social Care Wales.

A Member questioned what can be done to improve quality of life, to combat loneliness and isolation. The Chief Officer emphasised the importance of identifying resources in every community to link people together acknowledging that some parts of the county do this well and the aspiration to have the same level of connection and support in the whole county.

In response to questions from Councillor Batrouni, it was revisited that there had been an Area Co-Ordinators pilot that was evaluated which led to the current place based working in a co-ordinated way to connect people and support community development.

In terms of safeguarding, it was recognised that the authority had been found wanting in term of safe recruitment practice and reported that a Kerbcraft action plan is in place. To prevent similar situations, recruitment is monitored.

The Chief Officer explained the work with Legal Services to improve the quality of assessments and care plans.

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In terms of wellbeing, the Chief Officer confirmed her strong links with Leisure Services and provided examples such as exercise and referral, and work with the Youth Service.

The Cabinet Member, Social Care, Safeguarding and Health noted, regarding the Judiciary, that the comments are not unique to Monmouthshire and that all councils encounter the same problems which affects the morale of social workers. In terms of loneliness and isolation, it was suggested that Members visit Mardy Park to experience the good work there.

A Member requested consideration to help stroke survivors overcome travel difficulties referring to the restriction on Grassroutes services which are limited to 15 miles.

A Member questioned the role of Housing Associations and the need to ensure people are seen and looked after. The Chief Officer emphasised the importance of all partners working together to best meet the needs of communities and the availability to all of housing related support.

A Member asked how many children are on the edge of care and secondly, what the Council is doing to recruit new foster carers. The Chief Officer responded that whole family support provision has been reviewed which identified some gaps in early intervention and prevention, and preventative services at the edge of care. Work is in progress to better co-ordinate family support provision; some additional funding has been awarded to the Team around the Family (TAF) for this work. It was confirmed that that there are continuing low numbers of Monmouthshire CC foster carers which impacts financially and on the quality of outcomes. Recruitment campaigns, investment and better marketing have not increased numbers significantly. An option appraisal will be brought forward to decide on the approach going forward.

The Deputy Chief Executive Officer thanked the Chief Officer for her comprehensive, honest and plain speaking report and for highlighting that despite grave challenges, there are opportunities to make a significant contribution to the social justice agenda.

Council resolved to agree the recommendations in the report:

- That Council members consider and endorse the analysis in 2016/17 Annual Report of the Statutory Director of Social Services concerning the performance, and impact, of adult and children's well-being social care and health services over the last financial year.
- That Cabinet members also consider and endorse the 2017/18 priorities for improvement set out in the report to address the critical risk and developmental issues in social care and health

10.1. Corporate Safeguarding Policy

Council were presented with the Corporate Safeguarding Policy by the Cabinet Member, Social Care, Safeguarding and Health.

Debate ensued:

Councillor Batrouni queried confidence to deliver transparency and effective scrutiny. The Cabinet Member responded that there had been a lack of adherence to policy initially referring to the voluntary audit of Kerbcraft which identified gaps, and confirmed that the new Corporate Safeguarding Policy and Volunteering policy will address the shortcomings. It was added that

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there is a new structure for safeguarding and every directorate has responsibility to collate data. A central, easily accessible register has been established.

Specifically, regarding Kerbcraft, it was reported that an internal audit was inconclusive and consequently, an independent audit investigation is in progress and will be reported on shortly. As part of the review, the Wales Audit Office has been asked to provide clarification and evidence relating to the comments made.

Secondly, a question was asked about a Wales Online survey into how many looked after children had gone missing since 2015 and noted that five councils, including Monmouthshire, had refused to provide the information. It was responded that this question will be looked into by the Chief Officer who explained that safeguarding will always be a work in progress, there will always be issues but they will be dealt with but in an open and transparent way. Elected Members who have not yet attended the safeguarding training were urged to attend the next session.

Council resolved to accept the recommendation and agreed and adopted the Corporate Safeguarding Policy.

11. Report of the Chief Officer, Enterprise

11.1. Investment Proposal - Monmouth Pool and Leisure Provision

County Councillor R. J. Greenland presented a report to Council which to review proposals and seek a decision on the most suitable option for the provision of a Swimming Pool and Leisure Centre in Monmouth.

During debate we noted:

- A Member expressed concern that there had been an overspend on the development of the new school in the region of £11m and recalled that he had requested an updated schedule of works which had not been received. A breakdown of additional costs was requested with an indication of the source of the additional funding and also regular updates on the development of the two new schools.

The Leader couldn't recall the request and emphasised that the discussion was not about the school, which had been dealt with at a previous meeting, but was to further the Council's commitment to provide a swimming pool in Monmouth with an enhanced leisure facility that would generate income to pay for itself. He added that Option 2 was the best option, recognising that the first consideration was the need to not jeopardise young people's achievements and life chances. The Cabinet Member for Children and Young People will be bringing a report to Council in the autumn to introduce the next phases of school builds in the county.

- A Member argued that the plans should be for a competition standard pool, with appropriate depth, lanes and viewing gallery, not a leisure pool. Assurance was sought that, during the changeover period, staff employment is safe, and, if not, what the effect would be. Regarding Option 2, an assessment of risks was requested of proceeding with the phases together. It was queried how long residents would be without the use of a gym and a timescale for the completion of the pool.

Councillor R. J. Greenland responded that the original indicative project price was £6.68m. Cost certainty was requested and confirmed as an additional £300,000. The specifications for the pool are in the report and it will be suitable for local competitions. The Head of Tourism Leisure Culture & Youth commented that this was an aspirational

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facility for Monmouth completely supported by Leisure Officers, that will add value to the old pool and confirmed that the depth meets Amateur Swimming Association (ASA) standards and suitable for teaching young people to swim.

A response was provided that there is no risk to staff and alternative work has been arranged for the duration of the project. It was confirmed that regular meetings will be held between stakeholders to ensure safe and smooth running of the two sites. Regarding timescales, the first phase (redesign of the fitness suite (gym), toning studio etc.) will be 32 weeks and the transformation from sports hall to pool will be up to 52 weeks. Options are under consideration to provide temporary alternative fitness facilities in the town.

It was explained that the additional £300,000 was due to changes to the depth of floor, a longer programme on site, securing the site for e.g. safe deliveries and following completion of surveys which indicated the need for e.g. deeper foundation piles.

- Councillor M. Feakins declared a personal, non-prejudicial interest under the Member's Code of Conduct, in relation to this item, as a member of the Monmouth Leisure Centre gym. He declared that this was fantastic news for Monmouth. The vital need for continuity of service was emphasised for NHS exercise referral clients.
- Councillor Batrouni clarified the confusion regarding funding for the schools projects explaining that the projects wouldn't happen without the Welsh Government 21st Century School funding of approximately £2m. Considering borrowing to build the pool and noting the reliance on income to fund the borrowing, it was questioned if we are moving Leisure Centres to an Alternative Delivery Model (ADM) and if so, an explanation of how the income would be returned was requested.

The Head of Tourism Leisure Culture & Youth confirmed that whether there is an ADM or not, there will still be dependency on funding from the Council (grant or subsidy) and the assets will remain in the council's portfolio. The money from the income would pay for the grant (approximately £250,000 pa) according to the business plan. If there was an ADM the grant paid would be reduced by this amount.

A representative of Alliance Leisure explained that development generates new revenues which are used to fund the capital investment for all models whether in house, not for profit or commercial providers. A third party consultancy is used to model numbers and usually forecasted returns are exceeded.

- A Member questioned the quote for a temporary building and if it can be retained after the conclusion of the project. It was confirmed that the building is leased.
- A Member commented that this is a fantastic facility for Monmouth that sits well within the ADM and its scope for generating income. He questioned if the same consideration would be given to the other towns in the county. Councillor R.J. Greenland responded that the aspiration is to modernise all the leisure facilities but that it was too early to define the proposals for the school and leisure centre in Abergavenny. A Member commented that both King Henry VIII Comprehensive School and Abergavenny Leisure Centre are badly in need of refurbishment. Similarly improved school and leisure facilities in Chepstow are also sought.
- In response to a question, it was confirmed that the temporary structure will be utilised for other purposes e.g. clubs displaced from the sports hall.

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- A representative of Alliance Leisure commented that this will be an impressive and innovative facility that will feel like a new leisure centre and pool; a great facility for the community.

County Councillor R.J. Greenland summed up that the pool will meet current ASA standards, Sports Wales, curriculum and club requirements. The project will deliver a fantastic new facility for Monmouth and surrounding areas at an affordable cost with projections of income generation to pay for the project. The Officers and Alliance Leisure were thanked for their work.

Upon being put to the vote, Council resolved to agree the recommendations as presented:

- To approve the overall funding envelop of £7,404,539 to deliver the new pool and building re-design as indicated in the resources section. This includes the following:
 - Additional funding from the S106 agreement has been confirmed at £985,000 from the Wonastow Road Development.
 - There is also £1,928,000 that has been confirmed by Welsh Government, which is committed to the project.
 - The income assumptions from having new and different facilities is anticipated to be sufficient to support £3,580,000 of the capital expenditure necessary.
 - The council will borrow the remainder, appreciating an allowance was made by Members during budget setting process 2017-18 to create £500k headroom in Council's treasury budget, to support 5 particular policy commitments, of which this was one.
 - There could be potential of further funding depending on developments from section 106 in the local area (but this is not included in the calculations).

For this investment the community will be benefiting from a state of the art facility in response to the Well-being and Future Generations (Wales) Act 2015 including:

- A 5 lane 25 metre swimming pool
- 50-60 station fitness facility and additional studios
- A large adventure play facility with café

Please refer to page 7 of the Final Business Case for further information on facilities included.

- To approve option 2 with the installation of a temporary structure of 700 metre squared to replace the existing sports hall whilst the works are being completed at a minimum cost of £287,595 and a maximum cost of £415,430 pending suitable planning and a flood consequences survey.

12. Members Questions

12.1. From County Councillor D. Batrouni to County Councillor B. Jones

What discussions did the Council have with the Welsh Government regarding TrawsCymru?

Councillor Jones provided an explanation that TrawsCymru is a brand for a network of medium and long distance express bus routes in Wales sponsored by Welsh Government. The routes are usually 25 miles or more and connect key towns throughout Wales complementing rail services.

In response to the question, the authority has had numerous and ongoing discussions with Welsh Government on TrawsCymru. A study of a new route between Brecon and Chepstow via Abergavenny and Monmouth has been undertaken by Welsh Government. Discussions are

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ongoing as to how this may be introduced in the future. Both Monmouthshire and Powys have current contracts on various services that are part of this route and further meetings will take place. Any proposals will be reported to the Strategic Transport Group and Council.

As a supplementary, Councillor Batrouni asked for the response to be supplied in writing, and also if there was a timeframe when we will see those particular routes.

Councillor B agreed to provide this information to Councillor Batrouni in due course.

12.2. From County Councillor D. Batrouni to County Councillor R. John

What indicators will be used to assess success or failure in relation to your first priority for education outlined at the last Council?

Councillor John responded that the first priority is to drive up standards across the board. Council was informed that students will be sitting new GCSE qualifications this year which are incomparable with previous years and so will provide a new baseline. It will therefore not be possible to identify indicators and measures until there has been an opportunity to review the latest performance in order to understand how we have performed compared to other similar authorities.

As a supplementary, it was commented that the response encompassed all Key Stages and it was queried if there were measures for all key stages. It was also asked how teaching standards are assessed.

Councillor John responded that he was proud of the standards delivered in recent years noting that Estyn inspections identified good schools in the county adding that good is not good enough. Even where there are excellent standards, we want to do better. He detailed that performance in Foundation Phase has been ranked first in Wales every year (except one) since 2012. In Key Stage 2, we have been first for three of the last five years. We were third in Key Stage 3 last year and first in Key Stage 4 for two of the last three years.

In recognition that we need to do better, indicators and proposals for the future will be brought forward.

12.3. From County Councillor D. Batrouni to County Councillor R. John

What indicators will be used to assess success or failure in relation to your second priority for education outlined at the last Council?

Councillor John responded that the second priority was to promote children's wellbeing in schools noting that it can have a significant impact on their performance in school. We are developing a new structure to organise, integrate and measure activities relating to wellbeing working with Headteachers, colleagues and stakeholders. He stated that he would not be compromising discussions by making key announcements on measures today.

Councillor Batrouni asked a supplementary question: What discussions had taken place with members on ADM on achieving the measures of success of wellbeing.

In response, Councillor John confirmed that he will be bringing forward proposals and would be working closely with Headteachers and in discussion with students. He stated that it was not appropriate to make key policy announcements without discussions with stakeholders. He repeated his offer to work with any member who wishes to contribute to the debate.

12.4. From County Councillor D. Batrouni to County Councillor R. John

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What indicators will be used to assess success or failure in relation to your third priority for education outlined at the last Council?

Councillor John responded that the third priority was to revise and update a number of key policy areas through consultation with stakeholders and also to improve the school estate. A number of consultations will be launched in the autumn and he was not going to prejudice the results by announcing specific indicators today.

The meeting ended at 4.55 pm

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ACTION LIST
MEETING OF MONMOUTHSHIRE COUNTY COUNCIL
27th July 2017

MINUTE NUMBER AND SUBJECT	ACTION TO BE TAKEN	TO BE ACTIONED BY	PROGRESS
Minutes Motion from Cllr Batrouni Page	Written response to be drafted and circulated to Members.	Kellie Beirne	A '63 is the new 60' letter to the DWP SoS has been despatched copied as requested to the Prime Minister, Minister for Pensions and local MP. Copied to campaign group lead and all Members on 28/07/17. Response awaited re: government material and resources on the subject and arrangements for the transitional response.
Minutes Motion from Cllr Easson	Clarification to be provided regarding the distribution of 106 monies in Portskewett	Paul Matthews	Clarification provided by Kellie Beirne, Mark Hand and Mike Moran on 28/07/17. Relevant officers now engaged in addressing issues regarding Cas Troggi play area.
Action List Zero Hour Contract Report from	Questions raised by Cllr Blakebrough: 1. Can you assure that all those on zero hour contracts that work regular hours over a continuous period, have been offered a fixed term contract? Also how many have been offered. 2. What is the gender and age breakdown of the 9% zero hour workers? 3. What statutory employment rights rights are offered to our zero hour	Tracey Harry / Sally Thomas	Full written response to all of the questions posed submitted by Sally Thomas to Nicola Perry and shared with all Members on 28/07/17.

	workers? 4. What do you believe are the reasons that MCC are above the UK average of zero hour contracts?		
Action List Question from Cllr Howard to Cllr B. Jones	To provide a timetable for the roll out of public electric car charging points across the County.	Roger Hoggins	-
Motion from Cllr S. Jones	To put forward supplementary paper addressing the full support of Council	Cabinet Member Sara Jones	Paper produced following meeting of full council and supplemented as an addendum to the WG consultation on 27/07/17.
Emergency Motion from Cllr Dowarth	To arrange a meeting with the Leader/ Paul Matthews in September re the Heads of Valleys/A465	Kellie Beirne/Roger Hoggins	Meeting arrangements are currently in train.
Safeguarding Policy	To confirm FOI requests had been actioned in response to Cllr Batrouni's comments that Wales Online had reported that MCC had refused to provide information	Claire Marchant	FOI request not received by SCH officers. There has been no refusal to provide information.



AGENDA ITEM TBC

SUBJECT:	STATEMENT OF ACCOUNTS 2016-17
MEETING:	Council
DATE:	21st September 2017
DIVISIONS/WARD AFFECTED:	All Authority

1. PURPOSE:

- 1.1 Regulation requires Council to consider and sign off the Council's Statement of Accounts before publication deadline of 30th September. The report has been considered by the Council's Audit Committee and is provided to Council with their collective endorsement.

2. RECOMMENDATIONS:

- 2.1 That the final draft Monmouthshire County Council Statement of Accounts for 2016-17 (Appendix 1), be accepted as a True and Fair view of the Council's Statement of Accounts.

3. KEY ISSUES

- 3.1 Under current legislation, the accounts preparation process, prior to audit, has to be concluded each year by 30th June. Council approval of the accounts follows the audit process which must be completed by 30th September.
- 3.2 These accounts were prepared circa 3 weeks ahead of deadline. The Council needs to take a further week out of the process within the next 4 years as the preparations deadlines are moving to May 31st in respect of 2020/21 Accounts. Auditors have a similar challenge to take a month out of the process their side given a future publishing deadline of 31st July being introduced at same juncture.
- 3.3 The Statement of Accounts, shown in Appendix 1, is a highly technical document and its form and content are heavily regulated. In complying with these Standards, the accounts can be highly technical and do not always make easy reading. The main regulations come through the:
 - Code of Practice on Local Authority Accounting in the United Kingdom 2016-17
 - Supported by International Financial Reporting Standards (IFRS).
 - Service Reporting Code of Practice 2016-17
- 3.5 The formal Statement of Accounts includes the following prescribed reporting focus,
 - Annual Governance Statement
 - Income & Expenditure Statement
 - Balance Sheet
 - Cashflow Statement

- Movement in Reserves Statement

- 3.6 The Income and Expenditure Statement largely reflects the periodic monitoring report at outturn, however there are some additional aspects that appear in the formal Accounting Statements e.g. depreciation, amortisation, impairment and internal recharges.
- 3.7 There are a couple of changes included in this year's guidance that seeks to better standardise Statement of Accounts with the Authority's in year management reporting. For 2017-18 onwards, management is considering the pros and cons of making the periodic reporting more complex, or refining and simplifying the Statement of Accounts.
- 3.8 Members may recall the monitoring report identified a slight surplus of £884,000 on the Council Fund reported at year end (less than 0.6% variance against the net budget before financing). This net under spend mainly resulted from underspends in treasury activities, improved recovery on council tax, underspends in Resources and Chief Executive Directorates offsetting a net over spend of Social Care & Health, Children and Young People, Corporate and Enterprise Directorates.
- 3.9 2016-17 saw significant cost pressures within the service budgets, which are expected to continue into 2017-18. Members and Officers will therefore need to ensure that the budget is carefully managed in order to ensure that the current stable corporate financial position is maintained.
- 3.10 The Audit Committee will be held on 19th September, so it has not been possible to capture their feedback in writing prior to the preparation of this report. Consequently their feedback will be provided as a prelude to his report is being considered.

4. REASONS

- 4.1 To review the Council's accounts as presented to external audit, and considered by Audit Committee.

5. RESOURCE IMPLICATIONS

- 5.1 As outlined in the respective Accounts to be found in the Appendices.

6. CONSULTEES

Audit Committee
Strategic Leadership Team
Cabinet Members
Head of Finance
Head of Legal Service

7. BACKGROUND PAPERS

Statutory and legislative guidance.
Appendix 1: Statement of Accounts 2016-17

8. AUTHORS:

Joy Robson	Head of Finance (S151 officer)
Mark Howcroft	Assistant Head of Finance

9. CONTACT DETAILS

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MONMOUTHSHIRE COUNTY COUNCIL

ANNUAL ACCOUNTS

2016/17



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1 EXPLANATORY FOREWORD

1.1 Introduction

Monmouthshire County Council is a Welsh Unitary Authority and was created on 1st April 1996 by virtue of the Local Government (Wales) Act 1994.

Monmouthshire County Council was formed from a transfer of the services, assets and liabilities of the functions of the former Monmouth Borough Council and parts of the former Blaenau Gwent Borough and Gwent County Councils.

The purpose of this explanatory foreword is to offer a guide to the most significant matters appearing in the accounts and to explain the Authority's overall financial position. I hope it assists the reader in understanding the financial statements that follow.

1.2 The Accounting Statements

The Authority's accounts for the year 2016/17 are set out in sections 5 to 17. They consist of:

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the Council Fund Balance for council tax setting. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory Council Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations. This may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories:

- The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).
- The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

Notes to the Accounts

The core financial statements outlined above are supported by notes to further assist the reader in interpreting the Authority's financial position for the year ended 31st March 2017. The notes are sectioned to aid the user of the accounts to navigate the extensive supporting notes.

1.3 Code of Practice on Local Authority Accounting

The accounts have been prepared in accordance with the latest Code of practice applying to local authorities in England and Wales.

The Council has a number of interests in other entities which fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code. However the Council's interests in aggregate are not sufficiently material to warrant producing consolidated financial statements when reviewing both quantitative and qualitative information. For this reason, group accounts are not deemed necessary within these statements. In order to ensure compliance with the Code, a range of narrative disclosures have been made in other sections of the accounts (See note 16.6 for further information). This is a change in practice from the 2015/16 financial year and as a consequence the comparative year figures are now shown without consolidation of group accounts in both the primary statements and notes to the accounts and therefore will not be comparable to the audited 2015/16 Statement of Accounts.

1.4 2016/17 Net Revenue Expenditure

The details of the Authority's revenue expenditure for the year are set out in the Comprehensive Income and Expenditure Statement and further transfers to and from the Council Fund have taken place within the Movement in Reserves Statement. These statements appear in sections 5 and 6 of the accounts.

The Authority manages against its budget requirement for the year based on its internal management and directorate structure. Schools are reported separately during the financial year and are consolidated as part of the production of the year end accounts.

The Authority is reporting a £2,424,000 deficit for the year, the principal reasons for this being:

- £11,863,000 of depreciation charges on property, plant and equipment assets
- £7,023,000 of pension costs and the change in the value of pension assets & liabilities recognised in the Comprehensive Income & Expenditure Account; offset by:
- £13,431,000 of capital grants applied during the year that are recognised in full in the Comprehensive Income & Expenditure Account
- £3,278,000 of minimum revenue provision made during the year credited to the Comprehensive Income & Expenditure Account

These charges and credits are reversed or replaced in the Movement in Reserves Statement with other statutory charges, together with other adjustments required to move from an accounting basis to a funding basis under regulations. When combined with transfers to and from earmarked reserves the Authority has incurred a deficit on its Council Fund Balance of £887,000. This comprises a balanced position relating to non-school budgets and a £887,000 deficit relating to school budgets.

When compared against the revised budgets set by the Authority and schools respectively, this illustrates how the Authority has performed against budget for the year of account.

The analysis below of outturn against revised budget is based on the internal management reporting of the Authority and not on the classification prescribed by the Code of Practice. Readers will be able to reconcile this position to that reported in the Movement in Reserves Statement by reference to note 11.1 to the accounts and the Authority's revenue outturn report.

The Council fund balance, excluding school balances, has not been impacted during the year due to the balanced revenue outturn position. Earmarked revenue reserves have decreased from £9,269,000 to £7,804,000 during the financial year.

In total, available revenue reserves to the Authority (excluding school balances) have decreased by £1,465,000 from £16,380,000 to £14,915,000.

	Revised Budget £000	Actual £000	Variance £000
Net Expenditure:			
Net cost of services (internal management reporting)	143,142	144,059	917
Attributable costs – Fixed Asset Disposal	75	75	0
Interest and Investment Income	(55)	(88)	(33)
Interest Payable and Similar Charges	3,499	2,923	(576)
Changes to Investment Losses	-	0	0
Charges Required Under Regulation	3,489	3,373	(116)
Capital Expenditure financed from revenue	110	110	-
Earmarked Contributions to Reserves	104	1,288	1,184
Earmarked Contributions from Reserves	(1,665)	(1,967)	(302)
Financed by:			
General government grants	(63,567)	(63,567)	-
Non-domestic rates	(27,981)	(27,981)	-
Council tax	(63,411)	(64,076)	(665)
Council Tax Benefit Support (included in n.c.s)	6,258	5,852	(406)
Contribution to/(from) Council Fund	2	-	(2)
Council Fund (surplus)/deficit - Non-Schools	0	0	0
Council Fund (surplus)/deficit - Schools	979	887	(92)
Council Fund (surplus)/deficit - Total	979	887	(92)

1.5 Reserves

Movements in the Authority's reserves for the year are detailed in the Movement in Reserves Statement and is supported by notes to the Accounts which appear in section 10 of the accounts.

1.6 2016/17 Capital Expenditure

Detailed information on capital expenditure incurred in the year appears in note 12.2 to the accounts. Total capital expenditure in 2016/17 was £41,684,000 (£18,845,000 in 2015/16). The main items within this figure are shown below along with an analysis of the capital financing arrangements:

2015/16 £000		2016/17 £000
	Financing	
(7,765)	Capital receipts	(2,949)
(2,952)	Borrowing and Finance Lease Commitments	(23,791)
(7,207)	Grants and Contributions	(14,051)
(920)	Revenue and Reserve Contributions	(894)
(18,845)	Total Financing	(41,684)
	Expenditure	
15,004	Property, plant and equipment	39,507
335	Investment properties	608
196	Intangible assets	74
9	Assets held for sale	0
153	Heritage assets	94
3,149	Revenue Expenditure Funded from Capital under Statute	1,401
18,845	Total Expenditure	41,684

The major capital schemes supported by the Authority during the year comprise:

2015/16 £000		2016/17 £000
10,022	Schools modernisation programme	26,494
3,135	Infrastructure	4,470
2,769	Asset management schemes	2,467
0	Solar Farm - Oak Grove	4,299
1,235	Inclusion schemes	882
181	ICT schemes	491
517	Regeneration schemes	720
986	Vehicles	1,861
18,845	Total	41,684

1.7 Loan Debt

The loan debt at 31st March 2017 is outlined below along with the cost of servicing the debt, which the Authority is required to make prudent provision for through its revenue account.

31st March 2016 £000		31st March 2017 £000
95,560	Loan debt outstanding	89,949
(5,486)	Minimum Revenue Provision	(3,278)
(3,267)	Repayment of Interest	(2,852)

1.8 Pension Liabilities

The requirements of IAS19 *Employee Benefits* are incorporated into the Code of Practice. This requires the recognition of a net pension liability and a pensions reserve in the Balance Sheet together with entries in the Comprehensive Income and Expenditure Statement for movements in the asset/liability relating to defined benefit schemes (with reconciling entries back to contributions payable for council tax purposes via the Movement in Reserves Statement).

The pension liability at the end of the year amounted to £217,236,000 (£188,225,000 in 2015/16). The Authority is being charged increased employer contributions in order to contribute to the redressing of the balance of the pension fund. Further details are given in section 14 of the notes to the Accounts.

1.9 Conclusions

The accounts have been produced to comply with legislative and best practice. Supporting outturn statements on both revenue and capital accounts are separately available and show comparisons of service and project expenditure against budget in a clearer manner, with explanations of variances. These reports, together with the Statement of Accounts are available on the Authority's website.

The under spend for 2016/17, prior to transfers to/from earmarked reserves has largely resulted from under spends on treasury activity and improved recovery on council tax, offset by a net over spend on Directorate services. Following transfers to/from earmarked reserves, this has resulted in a balanced position on the general fund account.

However, the 2017/18 budget is extremely challenging, with continuing pressures in Adult and Children's social services. The Medium Term Financial Plan (MTFP) requires significant changes in service provision in order to meet the challenging financial targets and work has started to look at what the Council needs to do to respond to future challenges whilst still balancing next year's budget.

Indications are that the next 4 year window of the MTFP is going to be as challenging as the last and therefore further scope for savings will need to be assessed. Members and officers will need to ensure that the budget is carefully managed and earmarked reserves carefully directed to maximise their impact in 2017/18 in order to ensure the current stable corporate financial position is maintained.

J Robson
Head of Finance (S151 Officer)

Date

2 STATEMENT OF RESPONSIBILITIES

2.1 The Authority's Responsibilities

The Authority is required to:-

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Head of Finance.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

2.2 The Head of Finance's Responsibilities

The Head of Finance is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the *CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, the Head of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code.

The Head of Finance has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATION OF ACCOUNTS

I certify that the accounts set out within sections 5 to 17 gives a true and fair view of the financial position of the Council as at the 31st March 2017 and its income and expenditure for the year ended 31st March 2017.

Joy Robson
Head of Finance (S151 Officer)

Date

I confirm that these accounts were approved by the Leader of the Council on 21st September 2017 on behalf of Monmouthshire County Council.

Cllr Peter Fox
Leader of the Council

Date

3 ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Executive Summary

The Statement itself demonstrates that Monmouthshire has governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. We have demonstrated that in most areas we have effective governance arrangements in place which are continually improving such as:

- a comprehensive Scrutiny Service Plan;
- evaluating the effectiveness of Safeguarding;
- calling managers into Audit Committee;
- MCC's model of engagement in understanding its communities' views.

It is also recognised that there is further work to do. Progress against the 2015/16 action plan is shown at Appendix 1. The main areas for improvement in 2016/17 identified by the Council are:

- improve performance management arrangements and improve strategic planning;
- continue to deliver awareness raising sessions on the importance of compliance with Contract Procedure Rules and Financial Procedure Rules;
- Improve oversight and ongoing implementation of the staff appraisal process 'Check In Check Out'
- Improve the clarity of reports that members receive to ensure they have access to appropriate and timely information
- Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources.

An action plan to address areas for improvement is shown at Appendix 2.

- 1 This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (C.I.P.F.A.) and the Society of Local Authority Chief Executives and Senior Managers (S.O.L.A.C.E.), the 'Delivering Good Governance in Local Government Framework 2016' and Delivering Good Governance in Local Government Guidance Notes for Welsh Authorities 2016'. It embraces the elements of internal financial control required by the 'Code of Practice on Local Authority Accounting in the United Kingdom'.
- 2 The Statement itself demonstrates that Monmouthshire has governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. We have demonstrated that in most areas we have effective governance arrangements in place which are continually improving, but also recognise that there is further work to do. Progress against the 2015/16 action plan is shown at Appendix 1. The main areas for improvement in 2016/17 identified by the Council are shown at paragraph 81 and an action plan to address known gaps is shown at Appendix 2.

Scope of Responsibility

- 3 Monmouthshire County Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This has been updated in recent years through the Wales Programme for Improvement 2005 and even more recently through the Local Government (Wales) Measure 2009 to encompass responsibility for securing continuous improvement based on the needs of and in engagement with communities. Further changes to national frameworks are anticipated as a result of Welsh Government's White Paper which is consulting on proposals to repeal the 2009 Measure.
- 4 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.
- 5 The Code of Corporate Governance, which is consistent with the principles of the C.I.P.F.A. / S.O.L.A.C.E. Framework 'Delivering Good Governance in Local Government', was approved by Council in July 2011; the Code was revised and updated in May 2014. This will need to be revised in accordance with the 2016 Framework and Guidance. A copy of the previous code is available from the Chief Internal Auditor. This statement explains how the Council has complied with the revised Framework and Guidance (2016) and also meets the requirements of the Accounts and Audit (Wales) Regulations 2014.

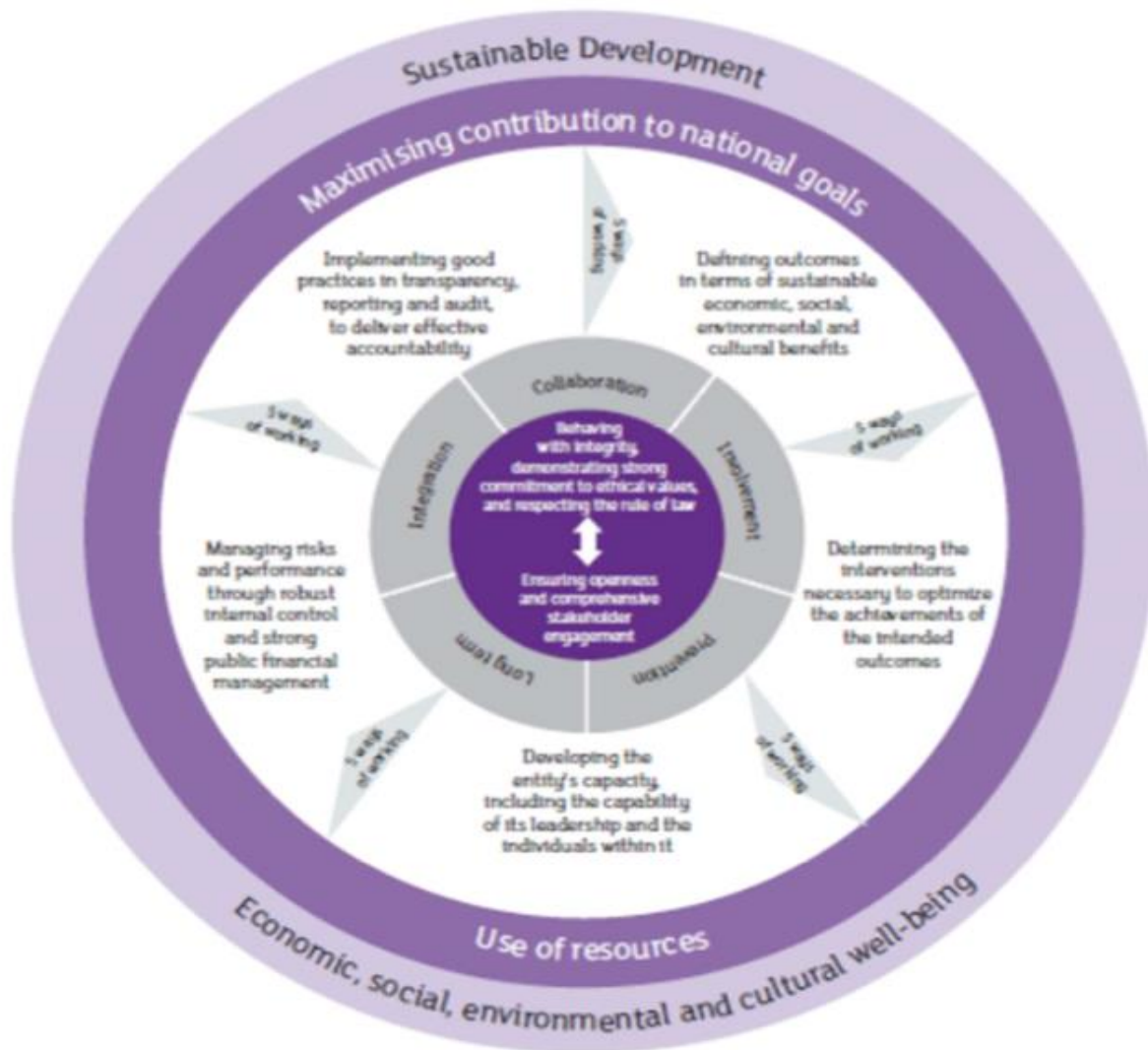
The Purpose of the Governance Framework

- 6 The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its population outcomes, priorities and objectives and to consider whether those objectives have met the outcomes and led to the delivery of appropriate, cost effective services.
- 7 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, outcomes and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 8 The governance framework has been in place at the Council for the year ended 31 March 2017 and up to the date of approval of the statement of accounts.

The Governance Framework

- 9 The Council's Code of Corporate Governance will be revised in line with the following principles:
 - Overarching requirements for acting in the public interest:
 - A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - B. Ensuring openness and comprehensive stakeholder engagement
 - In addition achieving good governance in the Council requires effective arrangements for:
 - C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits
 - D. Determining the interventions necessary to optimise the achievement of the intended outcomes
 - E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
 - F. Managing risks and performance through robust internal control and strong public financial management
 - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability
- 10 The diagram below brings together the above principles of good governance with the requirements of the Well-being of Future Generations (Wales) Act 2015. It shows sustainable development as all-encompassing. The core behaviours of:
 - behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law; and
 - ensuring openness and comprehensive stakeholder engagement

need to be applied to the five ways of working outlined in the 2015 Act. These five ways of working have to permeate all segments of delivering outcomes which, in turn, should ensure effective use of resources as the Council maximises its contribution to the economic, social, environmental and cultural well-being of Monmouthshire and Wales.



11 The Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

12 The key elements of the Council's governance arrangements are set out in The Improvement Plan; the latest version, Building Sustainable and Resilient Communities 2016-2017, was approved by Council in May 2016. Six monthly progress updates were presented to select committees during the year to enable scrutiny of progress and to allow Chief Officers and executive members to be held to account. The Council's four priorities up to May 2017 when the local authority elections took place were :

- education of young people,
- protecting the vulnerable,
- supporting business and job creation,
- maintaining locally accessible services.

13 The Council subscribes to a vision shared with other public service partners as part of the Public Service Board of working to deliver 'Sustainable resilient communities'. This is the cornerstone of the County's Single Integrated Plan 2013 -2017 where three themes have been adopted:

- Nobody is Left Behind**
- People are Confident, Capable and Involved**
- Our County Thrives.**

- 14 In April 2016 the Local Service Board became the Public Service Board or PSB. As part of the requirements of the Well-being of Future Generations (Wales) Act 2015 the Public Service Board are focused on improving social, economic, environmental and cultural wellbeing, in accordance with the sustainable development principle. Public Service Boards have a planning responsibility to prepare and publish an assessment of local well-being, produce a local well-being plan by May 2018 and report annually on its progress

Review of Effectiveness

- 15 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Senior Leadership Team within the Authority which has responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

- 16 The governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

- 17 The processes that have been applied to maintain, review and improve the effectiveness of the governance framework include:

- i) The Monitoring Officer has reviewed the Council's Constitution and ethical governance arrangements during the year. A new constitution was approved by Council in September 2014;
- ii) periodic reviews of the financial controls including the financial procedure rules by the Chief Finance Officer (Head of Finance); financial procedure rules were approved by Council in September 2014;
- iii) Revisions and updates to strengthen the strategic risk Management Policy were approved by Cabinet in March 2015;
- iv) Formal risk management and regular ongoing review of the processes involved;
- v) Scrutiny Service Plan 2016-2017; Scrutiny has conducted a Self-evaluation and Peer Review with several other councils during Spring 2017 as part of our ongoing commitment to continuous improvement;
- vi) Scrutiny reports its annual appraisal and Scrutiny Service Plan to Audit Committee to satisfy them that the Council's arrangements are working effectively;
- vii) the Internal Audit function, whose work takes account of identified risks through regular audits of the major systems, establishments and major projects in accordance with the annual internal audit plan, and which includes 'follow-up' work to ensure that agreed recommendations are implemented;
- viii) the work of the Council's Select and other Committees, including its Audit and Standards committees;
- ix) the opinions and recommendations of the Council's external auditors, following both financial audit work and per the Local Government Measure in regard to matters, including governance issues, which are considered for action and implementation and reported to Council, Cabinet and Audit Committee, as appropriate;
- x) The opinions and recommendations of other inspection, regulation and review agencies which are reported to Council, Cabinet and Audit Committee as appropriate. Audit Committee receives a regular report on the progress made with recommendations and proposals issued by Wales Audit Office
- xi) regular monitoring of performance against the Improvement Plan and service plans and of key targets, and reporting of this to senior management and members;
- xii) Audit Committee annual report;
- xiii) Evaluating the effectiveness of Safeguarding in Monmouthshire was taken through Cabinet;
- xiv) Annual appraisal of the effectiveness of the authority's performance management arrangements reported annually to Audit Committee.

- 18 The following paragraphs review the effectiveness of the governance arrangements in Monmouthshire under the 7 principles. A senior officer working group was set up to undertake the initial review; the outcome of that process fed into this statement which then went to the Senior leadership team (SLT) for review before being taken to Audit Committee for a further review.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- 19 The code of conduct for members and a protocol on member / officer relations are set out in the constitution. A new version of the code of conduct for members was adopted by Council in May 2016. The council also has a local protocol for the self-regulation of member conduct.

- 20 The Standards Committee, which includes a majority of independent representatives, advises on and monitors the Members' Code of Conduct, the Protocol for Member/Officer Relations, and any other Codes relating to the conduct of Members.
- 21 Agreed arrangements enable the Council to comply with statutory requirements in respect of child protection and the protection of vulnerable adults. Recruitment procedures help ensure that Council employees and Members working with children or vulnerable adults are checked for their suitability to do so.
- 22 In accordance with its statutory responsibilities, the Council has in place a Health and Safety Policy and related procedures
- 23 There were no successful "call-in" challenges to decisions on procedural grounds and no judicial review challenges on grounds of legality during the year.
- 24 There were 8 complaints against councillors that were referred to the Public Services Ombudsman for Wales in 2016/17. No further action was required on 7 of them; the Council is awaiting the determination on 1 referral. None were referred to the Standards Committee in 2016/17.
- 25 Policy and decision-making is facilitated through (i) the Cabinet, the meetings of which are open to the public and live streamed on YouTube except where exempt or confidential matters are being discussed, and (ii) a scheme of delegation to committees and officers as set out in the Constitution: Five select committees (including the statutory PSB Select Committee) and a separate audit committee review, scrutinise and hold to account the performance of the Cabinet, decision-making committees and officers. A Scrutiny "Call-In" process for decisions which have been made but not yet implemented is incorporated in the Constitution in order to consider their appropriateness.
- 26 A Scrutiny and Executive Protocol is in place which is aligned to the updated constitution of September 2014 and provides parameters for effective executive and scrutiny relationships.
- 27 The Constitution is updated periodically by the Monitoring Officer; it was reviewed and updated between January 2014 and June 2014, and was approved by Council in September 2014; it continues to be reviewed. It can be found on the Council's website and sets out:
- how the Council operates and makes decisions,
 - the procedures to ensure that decision-making is transparent and accountable to local people and other stakeholders,
 - the key roles of all members and chief officers, including the lead responsibilities for corporate governance of the Leader, the Chief Executive and other designated chief officers,
 - a scheme of delegated powers for decision-taking
 - responsibilities for reviewing and agreeing the Council's corporate governance arrangements,
 - arrangements for ensuring it is regularly reviewed and updated
 - its related codes and protocols.
- 28 To ensure agreed procedures and all applicable statutes are complied with the Monitoring Officer attends all Council meetings; to ensure sound financial management is a key factor in decisions, the Head of Finance attends Cabinet and Council meetings.
- 29 The ethical governance framework includes:
- codes of conduct for officers and members
 - a protocol governing Member/Officer relations,
 - a whistle-blowing policy widely communicated within the Council and which is regularly reviewed.
 - registers of personal and business interests for Members
 - an agreed policy and associated corporate procedures for ensuring that complaints about services can be properly made and investigated, and for ensuring that any lessons can be applied.
 - equalities awareness training
- 30 In accordance with the Local Government and Housing Act, 1989, the Monitoring Officer ensures compliance with established policies, procedures, laws and regulations. After appropriate consultation, this officer will report to the full Council in respect of any proposals, decisions or omissions which could be unlawful or which have been subject of an Ombudsman Investigation resulting in a finding of maladministration

- 31 All exemptions of the Contract Procedure Rules are reported through Audit Committee six monthly. The Internal Audit team continues to deliver awareness raising sessions on the importance of compliance with these Contract Procedure Rules and Financial Procedure Rules.
- 32 The Audit Committee called in several senior managers during the year and challenged them on why a procurement process went outside the Council's normal tendering processes.
- 33 27 Internal Audit opinions were issued in 2016/17; 3 were deemed to be unsatisfactory.
- 34 The overall opinion on the adequacy of the internal control environment for 2016/17 was **REASONABLE**. Management agreed to implement the recommendations made in audit reports in order to address the weaknesses identified. The Internal Audit opinions issued in 2016/17 were revised during 2016/17 to reflect the level of assurance gained from the audit review and were as follows; more detail can be found in the Annual Internal Outturn Report for 2016/17, as reported to Audit Committee:

	2014-15	2015-16	2016-17
Substantial (Very Good)	1	0	3
Considerable (Good)	9	9	10
Reasonable	12	14	7
Limited (Unsatisfactory)	6	3	7
(Unsound)	0	0	N/A
Total	28	26	27

- 35 Reasons why the outcome of the audit reviews which were deemed to provide Limited assurance were presented in a separate report to Audit Committee which has sought assurances from respective operational managers that action will be taken to make the necessary improvements in control.
- 36 The Internal Audit team had a full complement of staff for the full year; 75% of the 2016/17 plan was achieved, which was a slight improvement on the previous year (74%). The Chief Internal Auditor's overall audit opinion is based on the number of audits undertaken and their individual opinions; he was able to give an overall opinion on the adequacy of the control environment.
- 37 An Improvement Framework is in place to ensure the economic, effective and efficient use of resources and for securing continuous improvement. This is supported by a range of mechanisms including collaborative working initiatives and reviews undertaken both internally and by the external auditors and inspectors. This framework works in conjunction with the Local Government Wales Measure 2009.
- 38 Chief Officers and Heads of Service are accountable for ensuring that the Council Priorities are delivered, and performance against key targets is regularly monitored via the performance management framework and is regularly reported to members via Select Committees.

Principle B: Ensuring openness and comprehensive stakeholder engagement

- 39 The agendas are published in advance of all meetings on the Council's website.
- 40 The Scrutiny reports on recommendations/outcomes from scrutiny activity are presented to Cabinet quarterly. The scrutiny function has a 'Scrutiny Service Improvement Plan'. The plan is built into the Council's improvement framework. The plan is also scrutinised by the Council's Audit Committee annually to ensure they are satisfied that the Council has appropriate and effective scrutiny arrangements in place.
- 41 The Scheme of Delegation sets out responsibilities for decision making. The Council's website includes the Cabinet and Cabinet Member decisions / Member profiles. The Scrutiny Handbook provides a guide for Members, officers and the public on the role and value of scrutiny and the website displays the Scrutiny Forward Work Programme and invites public submissions. Development of Customer Insight to better understand our communities. Dissemination of ward meeting minutes.
- 42 Social media, Twitter and Facebook for example, is increasingly being used to engage local people and communicate the corporate message. The Council has partnered with an IT supplier to develop Monmouthshire Made Open – a digital engagement platform to enable local people to help shape ideas to the challenges facing

their communities. Scrutiny now has a Twitter account to help engage more effectively with the public on democracy.

- 43 There were several public engagement events undertaken in 2015/16 and 2016/17 for the budget. MCC's model of engagement in understanding its communities' views and the way it now operates as an organisation was shared with many delegates at a Welsh sustainability conference as exemplar. The Council has encouraged the community within Monmouthshire to actively contribute to making stepped changes to improve the way in which services are provided and is a key workstream of the Future Monmouthshire programme established by the Council in May 2016; the intention is to transform public service delivery. This links back to the principles of the Well-being of Future Generations Act which sets out five ways of working including involvement.
- 44 Monmouthshire Public Service Board has produced its Well-being Assessment for the county in March 2017. This will help to shape the future of the area and its communities by informing the Public Service Board's Well-being plan which will be subject to a prolonged consultation period. The assessment draws together findings from data, academic research and policy papers and the views of local people. The views of local people were gathered as part of an extensive community engagement exercise to test whether the data reflected peoples' lived experiences – this was called Our Monmouthshire. Between August and December 2016 staff from a range of PSB partners in Monmouthshire attended over 80 events speaking to more than a thousand people to get their views about what is good about Monmouthshire and what would make it better. Visual displays including maps and future trends postcards were used to help people to think about how they would like Monmouthshire to be in the long term and to frame the questions within a broad context. A conclusions section draws out some of the main messages that the Public Service Board will need to consider.
- 45 Transparency and openness is important to Monmouthshire; the Annual Statement of Accounts was taken through the Audit Committee process before being endorsed by Council. All Council decisions, reports and questions asked by Members are available on the website. Financial information, Improvement Plan progress, Council activities, achievements, developments, updates and events were included on the Council's intranet and website, with all Council, Cabinet and Scrutiny Committees now live streamed on You Tube.
- 46 All public meetings of the Council are live streamed on YouTube and are available to view on the Council's YouTube channel at any time after the meeting, which provides greater transparency of the Council's business. The Council, Cabinet, Audit Committee, Select Committees and Planning / Licensing Committees are streamed live on the internet.
- 47 Individual Cabinet Members can make decisions under the scheme of delegation; agendas and decisions for all Cabinet Members are published on the Council's website.
- 48 The Council's website contains links to the following areas in the interests of openness.

- [Data Protection](#)
- [Freedom of Information \(Fol\)](#)
- [Equality and diversity and the Equality Act, 2010](#)
- [Monmouthshire and the Welsh Language](#)
- [Policies, Plans and Procedures](#)
- [Council Performance](#)
- [Budget and Spending](#)
- [Public Service Board \(PSB\)](#)
- [Cardiff Capital Region City Deal](#)
- [The Well-being of Future Generations Act](#)
- [Complaints, Comments, Feedback and Compliment](#)
- [Our Monmouthshire](#)

- 49 The Council has received a number of Freedom of Information Act requests during the year, with no complaints made to the Information Commission Officer. 97% of requests were responded to within the required 20 days:

	2014-15	2015-16	2016-17
No' of FOI requests closed	1023	1057	1055
No' responded to within 20 days	1002	1034	1022
Percentage of FOIs responded to within 20 days	95%	98%	97% [Target of 90%]

- 50 The Medium Term Financial Plan (MTFP) supports the vision for Monmouthshire and extensive public engagement continued in 2016/17 for the 2017/18 budget and Medium Term Financial Plan which engaged with the public in their own community; this included website, social media, drop in sessions and open meeting. The Chief Executive and Leader of the Council also held consultation roadshows across the whole County with staff. These were key to providing people with the opportunity to become informed.
- 51 The Improvement Plan, Building Sustainable and Resilient Communities, 2016-17 involved a public consultation which took place between 1st April – 22nd April 2016.
- 52 During 2016/17 the Public Service Board (PSB) terms of reference and action plans were published online on the Our Monmouthshire page of the website to ensure transparency.
- 53 Public engagement and consultation is key to the WFG Act. One of the five ways of working is Involvement - *the importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves*. This along with the other ways of working is now considered in all relevant decision making reports for Cabinet and Council through a Future Generations Evaluation which includes Equalities and Sustainability Impact Assessments.
- 54 Implementing Open Government standards which enable us to effectively engage with our citizens and open up our data for anyone who needs to use it. Making the most of digitisation and digital inclusion to enable us to engage with people across our County.

Principle C: Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits

- 55 The Council's Improvement Plan for 2016/17, Building Sustainable and Resilient Communities, was approved by Council in May 2016. This plan outlines the council's responsibility to publish its Improvement Objectives in line with the plans for the year ahead as outlined in section 15(7) of the Local Government (Wales) Measure 2009 and shows how the council is delivering the 7 aspects of improvement.
- 56 The Single Integrated Plan sets out the vision of the Public Service Board – a partnership of the key public service providers in Monmouthshire which includes the Council – it has three key themes; nobody is left behind, people are confident, capable and involved; and our County thrives. It is developed by and agreed by all our partner organisations who are members of the Board. The LSB became the Public Service Board (PSB) in April 2016. The PSB is using the evidence in the well-being assessment to develop its well-being plan by March 2018. This plan will replace the Single Integrated Plan. Currently the partnerships are more focussed on emerging issues and key issues identified in the wellbeing assessment and responding to them collectively as a partnership, as well as fulfilling statutory duties.
- 57 The Council's strategic partners and wider stakeholders were fully engaged in the development of the Single Integrated Plan 2013-17 (SIP) incorporating key themes and outcomes to realise the shared vision. The organisation's Stage 1 Improvement Plan underpins the Council's contribution to the SIP by setting Annual Improvement Objectives for 2016/17. The Stage 1 Improvement Plan was presented to Council in May 2016 and was reviewed at six month intervals in November and December 2016 through the Council's four Select committees. A stage 2 Improvement Plan which reviewed Council performance in the previous financial (2015/16) and included an evaluation of how well we delivered against the objectives set by Council in the 2015/16 was approved by Council in September 2016.
- 58 Under the Well-being of Future Generations (Wales) Act 2015 The Council has a responsibility to:
- Set and publish well-being objectives

- Take all reasonable steps to meet those objectives
 - Publish a statement about well-being objectives
 - Detail arrangements to publish an annual report of progress
- 59 In March 2017 Council endorsed the Council's well-being Objectives and Statement 2017. The well-being objectives set bring together the latest evidence from the well-being assessment, policy and legislation and show how the council will strive to deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs. The Council is also required under the Local Government (Wales) Measure 2009 to set annual Improvement Objectives and produce an Improvement Plan, the wellbeing objectives meet this duty. The Council's well-being objectives, as agreed in March 2017, are:
- Provide children and young people with the best possible start in life to help them achieve better outcomes
 - Maximise the potential in our communities to improve well-being for people throughout their life course
 - Maximise the benefits of the natural and built environment for the well-being of current and future generations
 - Develop opportunities for communities and businesses to ensure a well-connected and thriving county
- 60 The Annual Improvement Plan Objectives for 2016/17 are supported by service plans to operationally deliver these objectives. Planned improvements and targets are aligned to the Annual Improvement Objectives. Service plans were developed in 2016/17 covering all service areas and were updated quarterly and made available on the Council's Hub. These were quality assessed as part of the service planning process.
- 61 In June 2016 Wales Audit Office completed a review of the Council's progress in improving its performance management arrangements, including effectively addressing issues raised in the 2015 Corporate Assessment around performance management. The report concluded that "The Council has continued to improve its performance management arrangements and recognises that it has more to do to ensure consistent application of corporate arrangements and to address the requirements of the Well-being of Future Generations (Wales) Act 2015".
- 62 Reports were taken through the Scrutiny process during the year which linked service plans to the Council's policies, priorities and objectives. The agendas and minutes of which became public documents available through the Council's website. Examples of effective scrutiny are: Joint Scrutiny of the Alternative Service Delivery Model (Outline Business Case and ongoing scrutiny of Governance Models); the pre-decision scrutiny of the decision to invest in a Solar Farm ~ specific recommendations to Cabinet; the scrutiny of Broadband Provision in the county which involved holding British Telecom and Welsh Government to account for performance in delivering the Superfast Cymru Programme; scrutiny of the Aneurin Bevan University Health Board's activity in Monmouthshire; scrutiny of a provider of street lighting in the county (demonstrates the internal and external dimensions of scrutiny).
- 63 In 2015/16 the Council was an early adopter of the Wellbeing of Future Generations Act which came into effect in April 2016. Preparation included increased awareness raising with Council members and officers. Extensive work has continued in 2016/17 to implement the act including training sessions and developing the Well-being assessment in partnership with PSB partners this was endorsed by Council and approved by the Public Service Board (PSB) in March 2017.
- 64 The Council is embracing the benefits of digital communications including social media use. It is also developing additional digital channels by introducing a Customer Services app, enabling people to interact and transact with the Council using mobile devices. We are also further developing the Council's website making it easier to navigate and including more transactional functions. Social media continues to thrive during 2016/17 through Twitter, Facebook and You Tube to raise awareness of forthcoming events, to provide live streaming of Cabinet, Council and other political meetings, to promote the activities and services provided and to show support and encouragement for community groups.
- 65 Enhancing the digital services with economic (effective and efficient processes aiding business interaction), environmental (less travel and print consumables) and social (digital customer centric services). Measured via the Digital Programme Office Service plan and performance planning process.
- 66 To ensure the best use is made of resources and that taxpayers and service users receive excellent value for money, there are a number of mechanisms within the Council to support this. The option appraisals for the 21st Century Schools considered cost and quality to determine the best outcome for the service; budget mandates were in place to monitor and capture the savings assessments; the IT Board reviewed business cases for future IT investment.
- 67 Regular budget / outturn reports for revenue and capital were presented to and approved by Cabinet during the year, and the budget management actions of Cabinet and senior officers are scrutinized by 4 of the Select committees quarterly. The budget monitoring reporting cycle periodically contains some output measures and unit cost data, so that economic comparison of costs with other Councils can be made. Previously the Council has compared very favourably to others. The updated MTFP was reviewed and approved by Cabinet over the course of the budget setting period (Sept 2016 to Jan 2017) in response to feedback from engagement and scrutiny

sessions and the budget was set in January 2017 by Council for 2017/18. Ongoing scrutiny of the Council's budget position in line with the MTFP has provided members with a greater understanding of the budget setting process and the pressures within individual directorates.

- 68 An authority-wide performance measurement system for the Council, the "data hub", hosted on the Council's intranet site continues to be used and further developed. This is available within 3 clicks of the homepage that opens up on all laptops and enables members and officers to track and monitor key data at any point in time from key strategic plans to directorate level "dashboards". This also allows performance to be compared against other council areas, where applicable. A Cabinet level dashboard contains a number of key performance measures and is discussed quarterly by SLT and Cabinet.
- 69 Based on 2015/16 National Performance indicator data the council has seen service performance improve, or remain at the maximum level, in 45% of comparable indicators. When comparing against other local authorities Monmouthshire was ranked in the top or upper middle quartiles for 60% of its targets. Comparable National Performance indicator data for 2016/17 will be available in September 2017.
- 70 The Council utilises 'Buy For Wales' contracts to ensure value for money is obtained in procuring the many goods and services required to run the Council. A nationwide analysis found that MCC had the highest proportion of spend with SMEs of any local authority in the UK (Source:<http://www.spendsmall.org/>)
- 71 The Equality Impact Assessment and Sustainable Development checklist have been revised and combined to align with the Future Generations Act. The "Future Generations Evaluation " ensures the decisions the Council makes are carefully considered to take equality and sustainable development into account, this includes legislation that Monmouthshire County Council is subject to the Equality Act 2010, Wellbeing of Future Generations Act and Welsh Language (Wales) Measure 2011. A range of these were undertaken during 2016/17 which have been published on the website accompanying decision making reports.
- 72 The Wales Audit Office (WAO) issued the Council with Certificate of Compliance following an audit of the Council's Improvement Plan 2016 - 2017 which went to Audit Committee in June 2016, confirming the Council had discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and had acted in accordance with Welsh Government guidance sufficiently to discharge its duties.
- 73 The WAO reported on their follow on review from the Governance Corporate Assessment made in 2015, through Audit Committee in June 2016. They concluded that the Council has made progress in improving its Governance arrangements although more work is needed to strengthen the transparency of decision making and recording.
- 74 Also reported to Audit Committee in June 2016 was the Council's response and progress report on the WAO's Corporate Assessment 2015. There were 9 proposals for improvement. The report gave assurances that action had either been taken or was committed to making the necessary improvements.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

- 75 The Local Authority is a partner in the South East Wales Consortium Schools Causing Concern protocol. This Policy forms a part of, and is aligned with, the National Model for School Improvement in relation to the informal support and challenge provided by the Local Authority (LA) to a school prior to any issuing of a warning notice or invocation of formal powers of intervention based on the six grounds for intervention. It also aligns with the Welsh Government (WG) Guidance on Schools Causing Concern (March 2016).
- 76 Contract Procedure Rules exemptions are reported to the Audit Committee 6 monthly; managers have been challenged in year to justify their procurement outside the Council agreed procedures. Several managers were called in to Audit Committee to give an account of why accepted procedures were not followed.
- 77 Regular reporting into Cabinet, Scrutiny and Audit Committee enables the achievement of the Council's objectives to be challenged and appropriate action plans put in place to address any identified issues so that the intended outcomes can be achieved. The Improvement Objectives and Performance indicators - 2016/17 were taken through Select Committees six monthly. The Strategic Risk Assessment 2016 was also taken through Select Committee, Audit Committee and signed off by Cabinet during the year.
- 78 Dealing with customer complaints helps Monmouthshire to identify and deal with failures in service delivery. The Council's complaint / compliment procedure is available on the web site. Out of 107 complaints received in 2016/17, 103 were resolved informally [96%]; 2 complaints were referred to the Ombudsman who decided not to investigate. 91% of Stage 1 complaints received were dealt with within 25 working days of receipt.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- 79 The Council's recruitment procedures provide equality of employment opportunities. The equality-assessed pay structure meets the requirements of the Single Status Agreement of 1997. The Single Status Collective Agreement was approved by Cabinet in September 2010.
- 80 Developing the digital capabilities of people and systems to enable effectiveness, efficiency and enhanced customer services (measured via the Digital Programme SIP)
- 81 There is continued support for Members' development through briefing sessions and other learning opportunities. A comprehensive training programme was developed for the intake of new members following Council elections in May 2017. There is also ongoing training and development which meets the needs of officers and members through the corporate programme. Coaching and leadership skills training will be rolled out to all managers in due course. Check in, Check Out provides a value-based performance assessment approach between staff and line managers and aims to ensure employees have clear and effective understanding of their contribution to the objectives of their teams and subsequently the Council.
- 82 Scrutiny Member Development programme is in place which provides ongoing specific skills based training for Members and includes scrutiny induction.
- 83 In December 2016 Wales Audit Office published a review of the Council's progress in addressing the proposal for improvement relating to human resource management from the 2015 Corporate Assessment. The report concluded The Council has made good progress in planning, managing and engaging its workforce although further work remains to ensure that managers have better baseline workforce data and HR ICT provision and that all staff have their annual appraisal. Work has continued to roll out, increase understanding and maximise completion of the check-in, check-out staff appraisal process.
- 84 Appropriate and relevant job descriptions were in place for the Chief Executive, Senior Leadership Team (SLT), Monitoring Officer and Head of Finance.

Partnerships/collaboration working

- 85 There is Council policy on information sharing along with numerous information sharing protocols with our partners; this is included within the Data Protection Policy. Information sharing is key to joined-up service delivery. The Wales Accord on the Sharing of Personal Information (WASPI) was developed as a practical approach to multi agency sharing for the public sector in Wales, and Monmouthshire signed up to this in January 2011. The Authority is required to meet statutory obligations regarding the handling and sharing of data, in accordance with the Data Protection Act 1998. Preparations are being made for the introduction of the General Data Protection Regulation in 2018. The Information Sharing protocol has been developed to ensure information is only shared appropriately, safely and compliantly.
- 86 The Council ensures that it has appropriate governance arrangements around its collaborations with other public agencies and other third parties. These can take a range of forms, from informal arrangements to those where governance arrangements are determined through legislation. The governance arrangements form a key part of the decision making processes that the Cabinet or Council follow when deciding to enter a collaborative arrangement, transparent local accountability is a key area of focus.
- 87 As a key example of our commitment to effective governance, arrangements have been developed for the PSB Select Committee.
- 88 An exercise was undertaken in 2013/14 to determine the full extent of the Council's collaboration and partnership arrangements and their respective governance arrangements. A Partnership Audit was undertaken and reported into the Audit Committee in May 2014; 100 partnership / collaboration arrangements were identified. Although the governance arrangements for the majority of partnerships identified have been captured, further work is on-going to clarify the governance arrangements for all of the partnerships; this was reported to Members through the Audit Committee. Governance arrangements have been put in place around all key partnerships the Council is involved with. Monmouthshire's Partnership Structure is now shown on The Hub and was reported through Strong Communities Select in April 2016.
- 89 Wales Audit Office made a proposal for improvement to the Council as part of their Annual Improvement Report 2014-15, published in November 2015, to "Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources." The action the Council is taking in response to the proposal was reported to Cabinet in January 2016. Their Corporate Assessment on the Council, reported through Audit Committee in January 2016, stated "The Council demonstrates ambition in its vision, enthusiasm to deliver and commitment to working collaboratively, but this needs to be supported by a clearly joined-up strategic approach and effective delivery mechanisms." In May 2016 Cabinet agreed to commission a strategic programme of whole-authority work called 'Future Monmouthshire'. Future Monmouthshire will identify shifts and changes needed in

Monmouthshire and position the council as the key enabler in bringing them about. It will inform the development of a new business model for the council in order to equip it to meet its goals amidst increasing change and uncertainty. The new model will help inform planning for any further partnership and collaborative working.

Principle F: Managing risks and performance through robust internal control and strong public financial management

- 90 There are robust arrangements for effective financial control through the Council's accounting procedures and financial regulations. These include established budget planning procedures, which are subject to risk assessment, and regular reports to members comparing actual revenue and capital expenditure to annual budgets. The Chief Finance Officer is responsible for the proper administration of the Council's financial affairs, as required by Section 151 of the Local Government Act 1972. Procedures for tendering and contract letting are included in the Contract Procedure Rules and Financial Regulations. The Council's Treasury Management arrangements follow professional practice, are subject to regular review and are contained in the Treasury Management Strategy approved by Council each year.
- 91 Wales Audit Office made a proposal for improvement to the Council as part of their Annual Improvement Report 2014-15, published in November 2015, to "Strengthen the governance and challenge arrangements by: ensuring that minutes of meetings are signed at the next suitable meeting in accordance with the Council's constitution to improve timeliness and transparency of public reporting; and reconsider the Council's policy of not formally minuting Cabinet meetings".
- 92 In May 2016 Wales Audit Office published its review of the Council's progress to improve its governance arrangements by seeking to answer the following question: 'Is the Council effectively addressing issues raised in the 2015 Corporate Assessment and its own Scrutiny Action Plan to improve governance?' The report concluded that the Council has made progress in improving its governance arrangements although more work is needed to strengthen the transparency of decision making and recording.
- 93 The most recent update on the action the Council is taking in response to the proposal were reported to audit Committee in December 2016. This identified progress made which the 'Modern Gov' system has been implemented and improved the documentation of minutes, agendas and reports for meetings on the Council's website, with further implementation of the system planned. A decision-log of Cabinet meetings is published on the website following each Cabinet meeting detailing the decisions that have been which include any amendments made to the proposed decision. Not publishing minutes for Cabinet has been a longstanding practice of the Council which has raised no issues of transparency and openness in the decision making process and the Council does not have any plans to change this process for recording decisions at Cabinet.
- 94 The anti-fraud and corruption strategy (approved by Cabinet March 2012) provides a deterrent, promotes detection, identifies a clear pathway for investigation and encourages prevention; an update was presented to the Audit Committee in March 2017 which was taken to Cabinet in June 2017 for approval. The Council's Council Tax Reduction Anti-Fraud Policy was approved by Cabinet in June 2015.
- 95 The Audit Committee considers the effectiveness of the Council's arrangements for securing continuous improvement including risk management arrangements. The Audit Committee also considers corporate governance, monitors the work of auditors and inspectors, and monitors the relationships between auditors and staff and the responses to audit and inspection recommendations. It also has responsibility for reviewing the Annual Statement of Accounts and its associated reports (which include this statement) before approval by Council. The Audit Committee has an independent, non-political, Chairman who prepares an annual report of the work of the Audit Committee.
- 96 Internal Audit operate to the standards set out in the 'Public Sector Internal Auditing Standards' which have been developed from the Institute of Internal Auditors (IIA) International Internal Auditing Standards which came into effect in April 2013. The team's role and status is set out in the Council's Internal Audit Charter. The Chief Internal Auditor reports to the Audit Committee a summary of audit findings for each quarter, and also reports annually an opinion on the overall adequacy and effectiveness of the Council's control environment.
- 97 The Chief Internal Auditor will ensure Internal Audit complies with the Public Sector Internal Audit Standards.
- 98 The Council has an objective and professional relationship with its external auditors and statutory inspectors.
- 99 Managing our information resource through strategies and policies to enable effective decision making which is managed via the draft information strategy and action plan.

Risk management

- 100 The Council's Strategic Risk Management Policy was updated and approved by Cabinet in March 2015. The revisions provide greater clarity on how the risk levels are to be assessed. The policy requires the proactive participation of all those responsible for planning and delivering services in identifying, evaluating and managing

high level strategic risks to the Council's priorities, services and major projects. The risk controls necessary to manage them are identified and monitored to ensure risk mitigation.

101 Within the Council the purpose of risk management is to:

- preserve and protect the Council's assets, reputation and staff
- aid good management of risk and support whole authority governance
- aid delivery of it's population outcomes internally and when working with partners
- improve business performance and anticipated risks in delivering improvements
- avoid unnecessary liabilities, costs and failures
- shape procedures and responsibilities for implementation.

The strategic risk assessment ensures that:

- Strategic risks are identified and monitored by the Authority
- Risk controls are appropriate and proportionate
- Senior managers and elected members systematically review the strategic risks facing the Authority.

The risk assessment is prepared by drawing on a wide range of evidence including service plans, performance measures, regulatory reports, progress on the previous risk assessment and the views of select committees. In order to mitigate the risks, proposed action was recorded and factored back into the respective service improvement plan. The risk assessment is a living document and is updated over the course of the year as new information comes to light. The Strategic Risk Assessment in 2016 was also taken through Select Committee, audit committee and signed off by Cabinet during the year.

102 The Council's Strategic Risk Assessment for 2016-2017 contains 13 distinct risks. Following the revised policy these were updated and reviewed throughout the year with the latest version being made available to members via The Hub.

Ref	Risk	Year	Risk Level (Pre – mitigation)	Risk Level (Post – mitigation)
1	The Authority is unable to deliver its political priorities in the future because it does not yet have clarity on its future business model or longer term financial plan.	2016/17	Low	Low
		2017/18	Medium	Low
		2018/19	Medium	Low
2	Some services may become financially unsustainable in the short to medium term as a result of reducing budgets and increasing demand	2016/17	Low	Low
		2017/18	Medium	Low
		2018/19	Medium	Low
3a	Potential that the Authority is unable to deliver its new schools capital programme due to capital receipts not generating the required income	2016/17	Medium	Medium
		2017/18	Medium	Medium
3b	Pressure on capital budget from 21 st Century schools programme will impact on other areas requiring capital investment.	2018/19	High	Medium
4	Potential that the Council does not make sufficient progress in areas of weakness identified by regulators leading to underperformance	2016/17	low	Low
		2017/18	Medium	Low
		2018/19	Medium	Low

5a	Potential for significant harm to vulnerable children or adults due to factors outside our control.	2016/17	Medium	Medium
		2017/18	Medium	Medium
		2018/19	Medium	Medium
5b	Potential for significant harm to vulnerable children or adults due to failure of services and/or partners to act accountably for safeguarding	2016/17	Medium	Medium
		2017/18	Medium	Medium
		2018/19	Medium	Medium
6	Failure to meet the needs of individual learners may result in them not achieving their full potential.	2016/17	Medium	Low
		2017/18	Medium	Low
		2018/19	Medium	Low
7a	Schools do not have the necessary ICT infrastructure meaning they are unable to maximise their offer to learner's needs.	2016/17	Medium	Medium
		2017/18	Medium	Medium
		2018/19	Medium	Low
7b	Insufficient ICT infrastructure and skills in the county have the potential to lead to social and economic disadvantages	2016/17	Medium	Medium
		2017/18	Medium	Medium
		2018/19	Medium	Medium
8	Reductions in our workforce due to budgetary pressures will impact on our capacity to deliver transformational change and improve performance.	2016/17	Medium	Medium
		2017/18	Medium	Medium
		2018/19	Medium	Low
9a	Not having appropriate governance mechanisms does not make it easy for communities to work with us when we are co- delivering and co-developing services which will impact on our shared ability to deliver sustainable and resilient communities.	2016/17	Medium	Medium
		2017/18	Medium	Medium
		2018/19	Medium	Low
9b	Not having appropriate governance mechanisms when establishing new collaborative or alternative delivery models that are often complex could impact on our shared ability to deliver objectives.	2016/17	Medium	Medium
		2017/18	Medium	Medium
		2018/19	Medium	Low
10	The current configuration of the recycling service becomes unviable because of legislation requirements and financial constraints.	2016/17	Low	Low
		2017/18	Low	Low
		2018/19	Medium	Low
11 new	Political, legislative and financial uncertainty for council services and local businesses as a result of Britain leaving the European Union.	2016/17	High	High
		2017/18	High	High
		2018/19	High	High
12 new	Information security breaches due to mismanagement of information or external parties gaining access to the network. This could result in critical and sensitive data being lost, compromising the delivery or availability of Council services and the interaction with external agencies and partners.	2016/17	Medium	Medium
		2017/18	Medium	Low
		2018/19	Medium	Low
13 new	Some businesses in the County are unable to continue trading as a result of increases in business rates due to draft business rate revaluations.	2016/17	Low	Low
		2017/18	Medium	Medium
		2018/19	Medium	Medium

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- 103** The South East Wales Education Achievement Service (EAS) Business Plan 2016-2019 was presented to Cabinet in April 2016. The plan sets out the priorities, programmes and outcomes to be achieved by the EAS on behalf of the South East Wales Consortium.
- 104** An update of progress for 2015/16 and the plan for 2016-17 for the People and Organisational Development Strategy 2014-17 was presented to Cabinet in April 2016. This was approved by Council in April 2015 and remains true to its core purpose in meeting the rapidly changing demands placed on its workforce. The comprehensive progress report summarised the outcomes achieved in 2015/16 as well as the next steps in delivering a coherent and cohesive People Services offer to the organisation.
- 105** The iCounty Strategy Business Plan for 2016/19, along with a report on MCC's Digital and Technology service and how it aligns with MCC's iCounty, People and Place strategies was also presented to Cabinet in April 2016. The plan supports the 3 pillars of iCounty:
- a) Improving internal services, data delivery and infrastructure
 - b) Digitally enabled, inclusive and connected communities
 - c) Creating products and commercial assets
- 106** The Business Plan also aligns with the People, Asset Management, MTFP and SRS strategies as well as linking in with MCC's Business and Service Improvement Plans.
- 107** Cabinet were presented with an overview of the performance of the whole authority safeguarding 2015/16 in July 2016 along with the proposed changes to the whole authority safeguarding approach.
- 108** The Audit Committee continues to support the Internal Audit team and endorses its annual report and plan. The plan details the work and service areas the team will cover based on a risk assessment in order to provide assurance on the adequacy of the internal controls, governance arrangements and risk management process.
- 109** The Whole Authority Report complaints, comments and compliments 2015/16 was presented to Audit Committee in November 2016 which identified the number and types of feedback received and dealt with from 1 April 2015 until 31 March 2016. The report also provided a summary of the number of Freedom of Information Act (FOI) requests received and dealt with by the Council during this period.

Main areas for improvement

- 110** The Council will continue to monitor and review its governance arrangements and identify any gaps. These will be addressed during the year to further strengthen governance in Monmouthshire County Council:
- improve performance management arrangements and improve strategic planning;
 - continue to deliver awareness raising sessions on the importance of compliance with Contract Procedure Rules and Financial Procedure Rules;
 - Improve oversight and ongoing implementation of the staff appraisal process 'Check In Check Out'
 - Improve the clarity of reports that members receive to ensure they have access to appropriate and timely information
 - Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources.

Action Plan 2015/16

- 111** Appendix 1 shows how the 2015/16 Action plan areas for improvement have been addressed during 2016/17.
- 112** An Action Plan for 2016/17 has been developed to capture known gaps in the Council's governance arrangements; the areas for improvement will be reviewed and considered during 2017/18 to further enhance the Council's governance arrangements. This is shown at Appendix 2.

Monitoring & Evaluation

113 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:2017
Leader

Signed:2017
Chief Executive

Appendix 1

Main areas of improvement for 2015/16 addressed

The following Table outlines where the Council has addressed gaps previously identified in its governance arrangements.

Governance Principle		Progress
<p>Principle 1:</p> <p>Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area</p>	<p>Undertake actions identified in the Council's action plan to address the Wales Audit Office proposals for improvement from the Corporate Assessment report to "Improve performance management arrangements..." and "Improve strategic planning."</p> <p>Undertake actions identified in the Council's action plan to address the Wales Audit Office next steps identified from the Wellbeing of Future Generations Act preparedness work undertaken.</p> <p>To review the appropriateness of the governance arrangements of the Public Services Board.</p>	<p>Two substantial assessments of need and wellbeing within the county the well-being assessment and population needs assessment have been completed as a consequence of the Wellbeing of Future Generations Act and the Social Services and Well-being Act. This provides a much deeper evidence base of wellbeing in the County and has been used to inform the publication of the Council's well-being objectives and statement 2017 that were approved by Council in March 2017 and form an integral part of the Council's improvement framework. The council has also adopted a new sustainable development policy and incorporated this into its policy framework, which will ensure greater alignment of future programmes to the Well-being of Future Generations Act</p> <p>Future Generations Evaluation assessments are now prepared for reports to Cabinet.</p> <p>In the medium term the development of the PSB's wellbeing plan by March 2018 will require the PSB to allocate and prioritise resources to meet their wellbeing objectives and establish clear delivery plans to achieve this.</p>
<p>Principle 2:</p> <p>Members and officers working together to achieve a common purpose with clearly defined functions and roles in order to achieve the best possible outcomes for citizens</p>	<p>Undertake actions identified in the Council's action plan to address the Wales Audit Office proposals for improvement from the Corporate Assessment report to "Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources"</p> <p>Review the governance arrangements in place around</p>	<p>In May 2016 Cabinet agreed to commission a strategic programme of whole-authority work called 'Future Monmouthshire'. Future Monmouthshire will identify shifts and changes needed in Monmouthshire and position the council as the key enabler in bringing them about. It will inform the development of a new business model for the</p>

	<p>all key partnerships the Council is involved with.</p>	<p>council in order to equip it to meet its goals amidst increasing change and uncertainty. The new model will help inform planning for any further partnership and collaborative working.</p> <p>A community governance review is currently being completed, the aim of the Community Governance review was to improve community engagement, this is important because we know that more cohesive communities are important to the Council being able to deliver its priorities. The outcomes of the review will provide clarity as to when, where and how local people can engage in discussions and influence decisions. It will provide explicit clarification as to the responsibility for decision making in certain arenas and the accountability that flows from those decisions.</p> <p>Council agreed in March 2017 that the ongoing review of community governance and whole place is finalised as early as possible to allow the new Council to reach agreement as to the shape and structure of community engagement; and that the community governance structure designed as a part of member working group is piloted in the Bryn Y Cwm area.</p>
<p>Principle 3:</p> <p>Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;</p>	<p>The Internal Audit team will work with the Procurement Team to continue to deliver awareness raising sessions on the importance of compliance with Contract Procedure Rules and Financial Procedure Rules</p>	<p>Internal Audit have provided training to schools and school governors but further work needs to be undertaken with the procurement team to raise awareness across the whole Council.</p>

<p>Principle 4:</p> <p>Taking informed and transparent decisions which are subject to effective scrutiny and managing risk in order to foster innovation</p>	<p>Undertake actions identified in the Council's action plan to address the Wales Audit Office proposals for improvement from the Corporate Assessment report to "Strengthen the governance and challenge arrangements.."</p>	<p>The Modern Gov system has been used since September 2015, further functionality of the system has continued to be implemented including the documentation of agendas, reports, minutes and decision logs on the Council's website making these more easily accessible for the public and providing a clear and consistent record of decision- making.</p> <p>The implementation of further functionality of modern Gov system will aims to further assist governance and challenge arrangements. The further development of the system will be presented to SLT for approval. before beginning implementation</p> <p>Training on key areas of the council's decision-making including scrutiny and performance management is made available to all new members.</p>
<p>Principle 5:</p> <p>Developing the capacity and capability of members and officers to be effective</p>	<p>Undertake actions identified in the Council's action plan to address the Wales Audit Office proposals for improvement from the Corporate Assessment report to "Ensure that the planned revisions and changes made to 'Check In Check Out' deliver a clear process of assessing and improving the performance of all staff and that department, team and individual objective setting is in line with the Council's corporate objectives."</p>	<p>Based on feedback received, the Check in Check out process has been reviewed and rolled out with more robust guidance, video tutorials and supportive training. Work will continue to roll out, increase understanding and maximise completion of the check-in, check-out process.</p> <p>It was recognised that CICO completion rates are likely to be higher than previously reported as the system was not capturing all data in the most effective way. Recognising this, work has been completed to develop a longer term more effective recording module that allows managers to record the CICO directly into an employee's record on the Human Resources system. This allows for all employee data to be stored in one place and enable direct access to reports from the system identifying completion rates, training needs (which would automatically be fed through to the training team) and track progress on any actions agreed. Communication and a guidance video have been established and the new</p>

		<p>system will be launched for managers to use.</p> <p>While this longer term work continued, a basic interim reporting system was in place to monitor completion rates and ensure accountability for completion. The latest data from December 2016 shows of completed returns by Managers 70% of staff that require a CICO have completed a CICO in the required timescales. 20% of those not completed were scheduled for completion.</p>
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Appendix 2

Action Plan 2016/17

The following areas will be reviewed and considered during 2017/18 to further enhance the Council's governance arrangements:

Governance Principle	Area for Improvement	Progress
Principle F: Managing risks and performance through robust internal control and strong public financial management	Improve performance management arrangements and improve strategic planning	
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Continue to deliver awareness raising sessions on the importance of compliance with Contract Procedure Rules and Financial Procedure Rules;	
Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	Improve oversight and ongoing implementation of the staff appraisal process 'Check In Check Out'	
Principle F: Managing risks and performance through robust internal control and strong public financial management	Improve the clarity of reports that Members receive to ensure they have access to appropriate and timely information	
Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources.	

4 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONMOUTHSHIRE COUNTY COUNCIL

I have audited the accounting statements and related notes of Monmouthshire County Council for the year ended 31 March 2017 under the Public Audit (Wales) Act 2004.

Monmouthshire County Council's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 based on International Financial Reporting Standards (IFRSs).

Respective responsibilities of Head of Finance (Responsible Financial Officer) and the Independent Auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 6, the responsible financial officer is responsible for the preparation of the statement of accounts, which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounting statements

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Monmouthshire County Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the narrative report to identify material inconsistencies with the audited accounting statements and related notes and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the accounting statements of Monmouthshire County Council

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Monmouthshire County Council as at 31 March 2017 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

Opinion on other matters

In my opinion, the information contained in the narrative report for the financial year for which the accounting statements and related notes are prepared is consistent with the accounting statements and related notes.

Matters on which I report by exception

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept;
- the accounting statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit;
- the Governance Statement contains material misstatements of fact or is inconsistent with other information I am aware of from my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Monmouthshire County Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit Practice issued by the Auditor General for Wales.

Signature _____

Date _____

**For and on behalf of
Huw Vaughan Thomas
Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ**

Movement In Reserves Statement for the Year Ended 31st March 2017							
	Note	Council Fund Balance £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 1st April 2015		8,132	10,980	17,629	36,741	2,974	39,715
Movement in reserves during 2015/16							
Total Comprehensive Income and Expenditure		(6,432)	-	-	(6,432)	1,606	(4,827)
Adjustments between accounting basis & funding basis under regulations	10.2	4,855		(12,206)	(7,351)	7,350	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(1,577)	-	(12,206)	(13,783)	8,956	(4,827)
Transfers to/(from) Earmarked Reserves	10.4	1,712	(1,712)		-		-
Increase/(Decrease) in 2015/16		136	(1,712)	(12,206)	(13,783)	8,956	(4,827)
Balance at 31st March 2016 carried forward		8,267	9,269	5,423	22,959	11,930	34,889
Movement in reserves during 2016/17							
Total Comprehensive Income and Expenditure		(2,424)	-	-	(2,424)	(14,788)	(17,213)
Adjustments between accounting basis & funding basis under regulations	10.2	73	-	13,729	13,801	(13,801)	0
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(2,351)	-	13,729	11,377	(28,590)	(17,213)
Transfers to/(from) Earmarked Reserves	10.4	1,464	(1,464)	-	-	-	-
Increase/(Decrease) in 2016/17		(887)	(1,464)	13,729	11,377	(28,590)	(17,213)
Balance at 31st March 2017 carried forward		7,381	7,804	19,152	34,336	(16,660)	17,676

Comprehensive Income & Expenditure Statement for the Year Ended 31st March 2017							
2015/16 (Restated)					2016/17		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
64,704	(12,926)	51,778	Children & Young People		69,020	(11,122)	57,898
53,336	(8,344)	44,991	Social Care & Health		59,045	(15,310)	43,735
15,185	(5,364)	9,821	Enterprise		14,300	(8,262)	6,038
43,953	(17,465)	26,488	Chief Executives Unit		55,361	(27,680)	27,682
37,932	(29,049)	8,883	Resources		37,439	(25,269)	12,170
1,540	(650)	890	Corporate		2,162	(250)	1,912
216,650	(73,798)	142,852	Cost of Services	11.1	237,328	(87,894)	149,434
			Other operating expenditure:				
			<i>Precepts & Levies:</i>				
9,430		9,430	Gwent Police Authority		9,925		9,925
4,188		4,188	South Wales Fire & Rescue Authority		4,209		4,209
1,870		1,870	Community and Town Councils		2,150		2,150
112		112	National Parks		106		106
100		100	Internal Drainage Boards		98		98
1,476	(1,215)	262	Gains/losses on the disposal of non-current assets		17,420	(20,511)	(3,091)
		15,962	Total Other operating expenditure				13,397
24,873	(15,683)	9,190	Financing and investment income and expenditure	11.3	15,956	(7,309)	8,647
			Taxation & non-specific grant income:				
	(61,004)	(61,004)	Council Tax	11.5		(64,076)	(64,076)
	(26,737)	(26,737)	Non-domestic rates redistribution	11.6		(27,981)	(27,981)
	(73,832)	(73,832)	General government grants	11.7		(76,998)	(76,998)
		6,432	(Surplus) or Deficit on Provision of Services				2,424
			Other Comprehensive Income and Expenditure:				
		(16,255)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets				(7,200)
		14,649	(Gains)/losses on remeasurement of pension assets / liabilities	14.3			21,988
		(1,606)	Total Other Comprehensive Income and Expenditure				14,788
		4,825	Total Comprehensive Income and Expenditure				17,213

Balance Sheet as at 31st March 2017			
31st March 2016 £000s		Note	31st March 2017 £000s
171,547	Other land and buildings	12.1	173,547
3,608	Vehicles, plant, furniture and equipment	12.1	4,786
60,648	Infrastructure	12.1	61,417
3,944	Community assets	12.1	4,021
10,079	Assets under construction	12.1	40,724
-	- Surplus assets not held for sale	12.1	360
4,795	Heritage Assets	12.12	4,882
41,099	Investment Property	12.7	41,932
754	Intangible Assets		647
40	Long-Term Investments	13.1	40
312	Long Term Debtors	13.5	4,240
296,825	Long term assets		336,595
3,999	Short Term Investments	13.1	-
413	Inventories		349
19,543	Short Term Debtors	13.5	19,937
7,621	Cash and Cash Equivalents	15.3	6,498
20,683	Assets Held for Sale	12.8	2,933
52,259	Current Assets		29,717
(1,025)	Cash and Cash Equivalents	15.3	(30)
(29,852)	Short Term Borrowing	13.1	(20,267)
(22,244)	Short Term Creditors	13.6	(28,437)
(2,124)	Provisions	13.7	(3,598)
(55,245)	Current Liabilities		(52,332)
(188,225)	Liability related to defined benefit pension scheme	14.4	(217,236)
(132)	Provisions	13.7	(353)
(65,708)	Long Term Borrowing	13.1	(69,682)
(1,236)	Other Long Term Liabilities	13.1	(1,755)
(1,830)	Capital Grants Receipts in Advance	11.7(b)	(5,286)
(1,819)	Revenue Grants Receipts in Advance		(1,992)
(258,950)	Long Term Liabilities		(296,304)
34,889	Net Assets		17,676
8,267	Council Fund Balance	10.3	7,381
9,269	Earmarked Reserves	10.4	7,804
5,423	Capital Receipts Reserve	10.6	19,152
22,959	Usable Reserves		34,337
47,671	Revaluation Reserve	10.7	48,771
(188,225)	Pensions Reserve	10.9	(217,236)
155,410	Capital Adjustment Account	10.8	151,889
-	- Deferred Capital Receipts Reserve	10.11	4,000
(934)	Financial Instrument Adjustment Account		(839)
(1,992)	Accumulating Absence Adjustment Account	10.10	(3,245)
11,930	Unusable Reserves		(16,660)
34,889	Total Reserves		17,676

Cash Flow Statement for the Year Ended 31st March 2017

31st March 2016 £000		Note	31st March 2017 £000
6,432	Net (surplus) or deficit on the provision of services	15.1	2,424
(13,497)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	15.1	(29,565)
75	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	15.1	29,327
(6,990)	Net cash flows from Operating Activities	15.1	2,187
15,137	Purchase of property, plant and equipment, investment property and intangible assets		34,512
16,000	Purchase of short-term and long-term investments		14,000
2,132	Other payments for investing activities		781
(1,809)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets		(16,677)
(16,073)	Proceeds from short-term and long-term investments		(17,999)
(509)	Other receipts from investing activities		(21,653)
14,876	Net Cash (Inflow)/Outflow from Investing Activities		(7,036)
	Financing Activities		
40,842	Repayments of short- and long-term borrowing		37,938
30	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		30
(35,054)	Cash receipts of short- and long-term borrowing		(32,455)
(161)	Other receipts from financing activities		(536)
5,656	Net Cash (Inflow)/Outflow from Financing Activities		4,977
13,542	Net (increase) / decrease in cash and cash equivalents		128
20,138	Cash and cash equivalents at the beginning of the reporting period		6,596
6,596	Cash and cash equivalents at the end of the reporting period	15.3	6,468

**Notes to the Accounts
for the Year Ended
31st March 2017**

10 MOVEMENT IN RESERVES STATEMENT NOTES
10.1 Movement in Reserves

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves. A summary of the movement in reserves during the financial year is illustrated below. More detailed information to support the Movement in Reserves Statement follows this note.

	Note	Balance at 1st April 2015 £000	Movement in Reserve £000	Balance at 31st March 2016 £000	Movement in Reserve £000	Balance at 31st March 2017 £000
Usable Reserves:						
Council Fund balance: Authority	10.3	6,991	119	7,111	0	7,111
Council Fund balance: LMS School Balances	10.5	1,140	16	1,156	(887)	269
Earmarked reserves	10.4	10,980	(1,712)	9,268	(1,464)	7,804
Capital Receipts Reserve	10.6	17,629	(12,206)	5,423	13,729	19,152
Total Usable Reserves		36,740	(13,782)	22,959	11,378	34,336
Unusable Reserves:						
Revaluation Reserve	10.7	33,753	13,918	47,671	1,100	48,771
Capital Adjustment Account	10.8	140,531	14,879	155,410	(3,521)	151,889
Financial Instruments Adjustment Account		(1,015)	81	(934)	95	(839)
Pension Reserve	10.9	(167,414)	(20,811)	(188,225)	(29,011)	(217,236)
Deferred Capital Receipts Reserve		2	(2)	0	4,000	4,000
Accumulated Absences Adjustment Account	10.10	(2,884)	892	(1,992)	(1,253)	(3,245)
Total Unusable Reserves		2,973	8,957	11,930	(28,590)	(16,660)
Total Authority Reserves		39,713	(4,825)	34,889	(17,212)	17,676

10.2 Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note summarises the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. A more detailed overview is provided in the individual notes that follows for each reserve:

Movements in 2016/17:	Council Fund Balance £000	Usable Reserves £000	Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:			
Charges for depreciation and impairment of Property, Plant and Equipment assets	11,940	-	(11,940)
Charges for impairment of Heritage Assets	8	-	(8)
Revaluation movements on Property Plant and Equipment (charged to SDPS)	28	-	(28)
Revaluation movements on Assets Held for Sale (charged to SDPS)	-	-	0
Movements in the market value of Investment Properties	(133)	-	133
Amortisation and impairment of intangible assets	181	-	(181)
Capital grants and contributions applied	(13,431)	-	13,431
Revenue expenditure funded from capital under statute	781	-	(781)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	17,367	-	(17,367)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:			
Statutory provision for the financing of capital investment (MRP)	(3,278)	-	3,278
Capital expenditure charged against the Council Fund	(894)	-	894

Adjustments involving the Capital Receipts Reserve:			
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(20,677)	16,677	4,000
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(2,949)	2,949
Adjustments involving the Financial Instruments Adjustment Account:			
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(95)	-	95
Adjustments involving the Pensions Reserve:			
Reversal of items relating to retirement benefits debited or credited to the CIES	17,774	-	(17,774)
Employer's pensions contributions and direct payments to pensioners payable in the year	(10,751)	-	10,751
Adjustment involving the Accumulated Absences Account:			
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,253	-	(1,253)
Adjustment between the Capital Adjustment Account and the Revaluation Reserve:			
Depreciation of non-current asset revaluation gains	-	-	-
Total adjustments between accounting basis & funding basis under regulations	73	13,729	(13,801)

Movements in 2015/16:	Council Fund Balance £000	Usable Reserves £000	Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:			
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Charges for depreciation and impairment of Property, Plant and Equipment assets	5,752	-	(5,752)
Charges for impairment of Heritage Assets	5	-	(5)
Revaluation movements on Property Plant and Equipment (charged to SDPS)	2,516	-	(2,516)
Revaluation movements on Assets Held for Sale (charged to SDPS)	245	-	(245)
Movements in the market value of Investment Properties	1,515	-	(1,515)
Amortisation and impairment of intangible assets	111	-	(111)
Capital grants and contributions applied	(6,190)	-	6,190
Revenue expenditure funded from capital under statute	2,132	-	(2,132)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	1,793	-	(1,793)
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Statutory provision for the financing of capital investment (MRP)	(5,486)	0	5,486
Capital expenditure charged against the Council Fund	(920)	-	920
Adjustments involving the Capital Receipts Reserve:			
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(1,808)	1,808	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(7,765)	7,765
Set aside of capital receipts	-	(6,250)	6,250
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	2	(2)
Adjustments involving the Financial Instruments Adjustment Account:			
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(80)	-	80
Adjustments involving the Pensions Reserve:			
Reversal of items relating to retirement benefits debited or credited to the CIES	16,633	-	(16,633)
Employer's pensions contributions and direct payments to pensioners payable in the year	(10,471)	-	10,471

Adjustment involving the Accumulated Absences Account:			
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(892)	-	892
Adjustment between the Capital Adjustment Account and the Revaluation Reserve:			
Depreciation of non-current asset revaluation gains	-	-	-
Total adjustments between accounting basis & funding basis under regulations	4,855	(12,206)	7,351

10.3 Usable Reserves available for Revenue Purposes

The in-year movements in the Authority's usable Reserves that are available to be applied for revenue purposes are summarised below:

Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. The balance on the Council Fund includes £269,000 in respect of underspent (or overspent) budgets which have been delegated to schools. These balances are at the disposal of the respective schools and represent an earmarked reserve which is not available for the Authority to use generally.

	At 1st April 2015 £000	In Year Movement £000	At 31st March 2016 £000	In Year Movement £000	At 31st March 2017 £000
Amount of Council Fund Balance held by Schools under Local Management Schemes	1,140	16	1,156	(887)	269
Amount of Council Fund Balance generally available for new expenditure	6,991	120	7,111	0	7,111
Total Council Fund Balance	8,132	137	8,267	(887)	7,381
Earmarked Revenue Reserves	10,980	(1,711)	9,269	(1,465)	7,804
Total Usable Reserves available for Revenue Purposes	19,112	(1,575)	17,536	(2,352)	15,184

10.4 Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the Council Fund into earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet Council Fund expenditure.

Earmarked reserves have been set up where there has been a need to set aside resources for a specific future purpose. The purpose of each earmarked reserve is detailed below. Utilisation of these reserves is under the control of the Cabinet and has been approved by it.

The transfers to and from Earmarked Reserves in 2016/17 can be summarised as follows:

	At 1st April 2015 £000	Transfer to Reserves £000	Transfer from Reserves £000	At 31st March 2016 £000	Transfer to Reserves £000	Transfer from Reserves £000	At 31st March 2017 £000
Invest to Redesign	1,483	399	(585)	1,298	75	(412)	961
Priority Investment	1,973	63	(916)	1,120	593	(713)	1,000
Insurance and risk management	2,250	30	(1,044)	1,236	-	(153)	1,083
IT Transformation	640	359	(172)	827	147	(246)	728
Treasury equalisation	990	-	-	990	-	-	990
Capital Investment	1,621	16	(372)	1,265	-	(489)	776
Redundancy and Pensions	600	1,000	(325)	1,274	114	(593)	795
Capital Receipt Generation	460	-	(138)	322	100	(75)	348
I Learn Wales	49	-	(49)	0	-	-	0
Other reserves							
Elections	83	25	-	108	25	-	133
Museums acquisition	60	-	(3)	57	-	-	57
Chairman's	37	-	(37)	0	-	-	0
Service Reserves:							
Grass Routes to Schools	161	5	(26)	140	54	(9)	184
Schools sickness & maternity cover	0	104	-	104	-	(10)	94
Trading Accounts:							
Youth Offending Team	382	-	(57)	325	-	(51)	274
Outdoor education centres	190	-	-	190	-	-	190
Building Control	-	12	-	12	14	-	25
Rural Development Plan	-	-	-	0	86	-	86
Highways Plant & Equipment Replacement	-	-	-	0	75	-	75
Homeless Prevention	-	-	-	0	5	-	5
Total	10,980	2,012	(3,723)	9,268	1,287	(2,751)	7,804

Invest to Redesign Reserve - To fund service redesign to either improve the service, generate income or reduce costs.

I.T. Transformation Reserve - To invest in information technology in support of the organisations outcomes and generation of improved service efficiency, income generation or cost savings.

Capital Investment Reserve - To finance future capital expenditure.

Priority Investment Reserve - To fund additional one off investment in the Authority's agreed priorities.

Redundancy and Pensions Reserve - To meet redundancy costs and commuted payments for early retirements over a maximum of 5 years.

Insurance and Risk Management Reserve - To meet excesses and administration costs on claims against the Council, to provide cover on self insured risks and contribute to risk management activities.

Treasury Equalisation Reserve - Originally created from rescheduling discounts and premia, intended for use under the concept of prudence to permit a long term view to be taken of treasury decisions.

Capital Receipt Generation Reserve - Securing capital receipts is a vital element of the Authority's capital investment strategy. Improving the final disposal value by investment, either in the fabric of the asset or by proper disposal expertise ensures the Council obtains the best possible value for surplus assets.

Current accounting regulations are such that investing in disposal must be taken against the revenue account and these costs cannot be fully offset against the ultimate capital receipt. The reserve has been established to finance such expenditure.

I Learn Wales reserve - Created for future (i) learning education projects in schools.

Other Reserves - These include a number of other reserves where separate classification is not deemed necessary in the accounts due to the level of the reserve balance or its nature.

Service Reserves - Created from surpluses and deficits on the Authority's external and internal trading account activities, and maintained to support and develop these services.

Trading Reserves - Trading reserves at the year-end now represent balances created as a result of external trade or where the Authority assumes lead authority status for administering funds on behalf of other partner organisations.

10.5 School Balances

The balance on the Council Fund includes £268,787 in respect of underspent (or overspent) budgets which have been delegated to schools. These balances are at the disposal of the respective schools and represent an earmarked reserve which is not available for the Authority to use generally. Details of the movements of these reserves are shown below:

	At 1st April 2015 £	In Year Movement £	At 31st March 2016 £	In Year Movement £	At 31st March 2017 £
Comprehensives					
Caldicot	81,368	127,492	208,860	(175,124)	33,736
Chepstow	(388,688)	(25,379)	(414,066)	332,999	(81,068)
King Henry VIII	42,966	64,403	107,368	(246,723)	(139,355)
Monmouth	109,851	(64,079)	45,772	(146,345)	(100,573)
Sub Total Comprehensives	(154,504)	102,437	(52,067)	(235,193)	(287,259)
Primaries					
Archbishop R Williams	37,847	46,641	84,489	(34,832)	49,657
Cantref	54,403	(12,416)	41,987	10,779	52,766
Castle Park	(39,729)	18,282	(21,446)	(24,669)	(46,115)
Chepstow Alliance	28,092	(28,092)	0	0	-
Cross Ash	65,890	(14,621)	51,269	(5,648)	45,620
Deri View	21,762	64,292	86,054	(58,757)	27,297
Dewstow	126,594	(13,997)	112,598	(22,473)	90,125
Durand	53,761	6,759	60,520	(6,589)	53,931
Gilwern	38,913	2,385	41,298	(1,662)	39,636
Goytre Fawr	28,832	25,088	53,920	(28,549)	25,371
Kymin View	44,634	(25,860)	18,774	(8,480)	10,294
Llandogo	(12,346)	900	(11,446)	1,710	(9,736)
Llanfair Kilgeddin CV	11,922	54,902	66,824	(66,824)	0
Llanfoist	74,267	19,523	93,789	(25,734)	68,056
Llantilio Pertholey	47,225	(10,049)	37,176	(16,209)	20,967
Llanvihangel Crucorney	(15,040)	(8,565)	(23,605)	20,488	(3,117)
Magor Vol Aided	36,462	19,546	56,008	(20,828)	35,179
New Pembroke Primary	33,549	2,652	36,201	(27,375)	8,826

Osbaston Church in Wales	55,997	(18,653)	37,344	(18,774)	18,570
Our Lady's & St Michael's Catholic Primary	40,813	(10,159)	30,654	14,851	45,505
Overmonnow	326	(19,427)	(19,101)	23,060	3,959
Raglan	62,747	(44,378)	18,369	(130,346)	(111,977)
Rogiet	69,879	(10,265)	59,613	(25,429)	34,184
Shirenewton	78,279	3,281	81,560	5,809	87,369
St Mary's (Chepstow)	18,509	6,877	25,385	(38,577)	(13,192)
The Dell	83,210	(32,944)	50,266	(4,172)	46,094
Thornwell	48,997	(46,745)	2,253	(22,787)	(20,534)
Trellech	72,889	13,392	86,281	(519)	85,762
Undy	41,679	(25,038)	16,641	(66,677)	(50,037)
Usk CV	23,815	47,480	71,295	(15,187)	56,108
Ysgol Gymraeg Y Fenni	66,203	(7,462)	58,741	(9,774)	48,966
Ysgol Gymraeg Ffin	18,152	(4,984)	13,168	(80,578)	(67,410)
Sub Total Primaries	1,318,530	(1,655)	1,316,875	(684,754)	632,122
Special					
Mounton House	(25,953)	(128,901)	(154,854)	12,437	(142,417)
Pupil Referral Unit	1,958	44,250	46,208	20,132	66,340
Sub Total Special	(23,994)	(84,651)	(108,646)	32,569	(76,076)
Total	1,140,033	16,130	1,156,163	(887,377)	268,787

10.6 Capital Receipts Reserve

Amounts in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the usable Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's borrowing requirement. Receipts are appropriated to the reserve from the Council Fund via the Statement in Movements Statement.

2015/16 £000		2016/17 £000
17,629	Balance as at 1st April	5,423
1,808	Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	16,670
2	Transfer from Deferred Capital Receipts Reserve upon receipt of cash	7
(7,765)	Less: use of the Capital Receipts Reserve to finance new capital expenditure	(2,949)
(6,250)	Set aside of capital receipts	0
5,423	Balance as at 31st March	19,152

10.7 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment, Heritage Assets and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2015/16 £000		2016/17 £000
33,753	Balance at 1 April	47,671
16,620	Upward revaluation of assets	7,955
(365)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(755)
(1,516)	Difference between fair value depreciation and historical cost depreciation	(2,731)
(782)	Accumulated gains on assets sold or scrapped	(3,368)
(39)	Write off Investment property balance	0
47,671	Balance at 31 March	48,771

10.8 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

This note provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2015/16 £000		2016/17 £000
140,531	Balance at 1 April	155,410
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(5,752)	Charges for depreciation and impairment of property, plant and equipment assets	(11,940)
-	Revaluation movements on heritage assets	-
(5)	Charges for impairment of heritage assets	(8)
(2,516)	Revaluation movements on Property, Plant and Equipment	(28)
(245)	Revaluation movements on Assets Held for Sale	-
(111)	Amortisation & impairment of intangible assets	(181)
(2,132)	Revenue expenditure funded from capital under statute	(781)
(1,011)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(13,999)
1,555	Adjusting amounts written out of the Revaluation Reserve	2,731
	Capital financing applied in the year:	

7,765	Use of the Capital Receipts Reserve to finance new capital expenditure	2,949
6,250	Set aside of Capital receipts	-
6,190	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	13,431
5,486	Statutory provision for the financing of capital investment charged against the Council Fund	3,278
920	Capital expenditure charged against the Council Fund	894
(1,515)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	133
155,410	Balance at 31 March	151,889

10.9 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2015/16 £000		2016/17 £000
(167,414)	Balance at 1 April	(188,225)
(13,032)	Remeasurement gains or (losses) on pension assets and liabilities	(21,988)
(16,633)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(17,774)
(1,617)	Effect of business combinations and disposals	0
10,471	Employer's pensions contributions and direct payments to pensioners payable in the year	10,751
(188,225)	Balance at 31 March	(217,236)

10.10 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year, for example, annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from the Account.

2015/16 £000		2016/17 £000
(2,884)	Balance at 1 April	(1,992)
2,884	Settlement or cancellation of accrual made at the end of the preceding year	1,992
(1,992)	Amounts accrued at the end of the current year	(3,245)
(1,992)	Balance at 31 March	(3,245)

10.11 Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2015/16 £000		2016/17 £000
0	Balance at 1 April	0
0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,000
0	Transfer to the Capital Receipts Reserve upon receipt of cash	0
0	Balance at 31 March	4,000

11 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT NOTES

11.1 Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2015/16				2016/17		
Net Expenditure Chargeable to the general fund £000	Adjustments between the Funding & Accounting Basis £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to the general fund £000	Adjustments between the Funding & Accounting Basis £000	Net Expenditure in the CIES £000
50,552	1,227	51,778	Children & Young People	49,798	8,100	57,898
41,063	3,928	44,991	Social Care & Health	42,752	983	43,735
5,209	4,612	9,821	Enterprise	5,376	662	6,038
21,053	5,436	26,488	Chief Executives Unit	21,328	6,353	27,682
5,417	3,466	8,883	Resources	5,268	6,902	12,170
18,021	(17,130)	890	Corporate	19,537	(17,625)	1,912
141,315	1,537	142,852	Cost of Services	144,059	5,375	149,434
(141,435)	5,014	(136,421)	Other Income & Expenditure	(144,059)	(2,951)	(147,010)
(120)	6,552	6,432	Surplus or Deficit	0	2,424	2,424
(6,991)			Opening General Fund Balance	(7,111)		
(120)			Surplus or Deficit on General Fund	0		
(7,111)			Closing General Fund Balance	(7,111)		

Adjustments from the General Fund to arrive at the CIES Amounts:

2015/16						2016/17				
Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other differences £000	Total Adjustments £000			Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other differences £000	Total Adjustments £000	
813	(120)	534	1,227	Children & Young People	6,938	(83)	1,244	8,100		
281	455	3,192	3,928	Social Care & Health	641	482	(141)	983		
2,256	224	2,131	4,612	Enterprise	320	221	121	662		
5,837	376	(777)	5,436	Chief Executives Unit	4,720	436	1,198	6,353		
1,575	105	1,786	3,466	Resources	311	109	6,482	6,902		
0	(412)	(16,719)	(17,130)	Corporate	0	(733)	(16,892)	(17,625)		
10,762	628	(9,852)	1,537	Cost of Services	12,931	432	(7,988)	5,375		
124	0	15,700	15,824	Other operating expenditure	(3,166)	0	16,488	13,322		
(5,837)	5,534	1,590	1,287	Financing and investment income and expenditure	(3,483)	6,591	(97)	3,011		

(6,190)	0	(5,906)	(12,096)	Taxation and non-specific grant income and expenditure	(13,431)	0	(5,852)	(19,283)
(11,904)	5,534	11,384	5,014	Other Income & Expenditure	(20,080)	6,591	10,538	(2,951)
(1,142)	6,162	1,532	6,552	Adjustments between the Funding & Accounting Basis	(7,149)	7,023	2,550	2,424

11.2 Expenditure & Income analysed by nature

The authority's expenditure and income is analysed as follows:

2015/16 £000		2016/17 £000
107,516	Employee benefits expenses	109,848
116,927	Other services expenses	120,776
(2,343)	Support service recharges	5,721
16,500	Depreciation, amortisation and impairment	14,008
15,700	Precepts & levies	16,488
3,287	Interest payments	2,932
1,476	Gain/loss on disposal of non-current assets	17,420
259,064	Total Expenditure	287,192
(47,174)	Fees, charges & other service income	(57,829)
(196)	Interest and investment income	(111)
(87,507)	Income from council tax & NNDR	(91,884)
(116,542)	External grants and contributions	(114,434)
(1,214)	Gain/loss on disposal of non-current assets	(20,510)
(252,632)	Total Income	(284,768)
6,432	Surplus or Deficit on the Provision of Services	2,424

11.3 Financing and Investment Income and Expenditure

A summary level breakdown of Financing and Investment Income and Expenditure reported on the face of the Comprehensive Income and Expenditure Statement for the year is shown below. Further information is contained within the respective notes to the accounts.

31st March 2016			Note	31st March 2017		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
3,289	(9)	3,280	Interest payable and similar charges	2,931	(9)	2,922
5,534	-	5,534	Pensions interest cost and expected return on pensions assets	6,591	-	6,591
-	(151)	(151)	Interest receivable and similar income	-	(70)	(70)
4,948	(3,899)	1,049	Income and expenditure in relation to investment properties and changes in their fair value	667	(1,274)	(607)
11,102	(11,610)	(508)	(Surpluses)/deficits on trading undertakings not included in the Net Cost of Services	5,768	(5,937)	(169)
0	(14)	(14)	Other investment income	-	(20)	(20)
24,873	(15,683)	9,190	Total Financing and Investment Income and Expenditure	15,957	(7,310)	8,647

11.4 Significant Trading Operations

The Council has established various trading units where the service manager is required to operate in a commercial environment by generating income from other parts of the Authority, other organisations or the public in order to either match expenditure incurred or, in certain instances, operate within an approved level of subsidy.

The income generation aspects of most of these services are included within the Council's annual fees and charges policy that are approved by Cabinet.

In line with the latest Code of Practice on Local Authority Accounting, only those services that are carried out on a commercial basis are included in this note.

Grounds Maintenance

The Authority's Grounds Maintenance function was awarded to an in-house unit after a competitive tender process. The trading objective is to maximise the opportunities available to ensure the most efficient service possible and also to deliver benefits of a clean and green environment for MCC residents. The unit competes successfully in the private sector carrying out work that includes play areas, horticulture and fencing.

2015/16				2016/17		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
(2,577)	(1,168)	(3,745)	Turnover	(2,480)	(1,225)	(3,705)
2,573	1,113	3,686	Expenditure	2,481	1,167	3,648
(4)	(55)	(59)	(Surplus)/Deficit	1	(58)	(57)

Building Cleaning

The Building Cleaning function was awarded in-house work after a competitive tender process. The unit provides cleaning services to council offices, schools and public toilets. The trading objective is to recover costs whilst ensuring value for money.

2015/16				2016/17		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
(775)	-	(775)	Turnover	(862)	-	(862)
774	-	774	Expenditure	862	-	862
(1)	0	(1)	(Surplus)/Deficit	0	-	0

Building Control

Building Control enforces the Building (Local Authority Charges) Regulations 2010 to ensure building construction is carried out in a safe manner alongside the control of dangerous structures and demolitions. The Regulations state that a "break even" position should be maintained on the chargeable trading element and an earmarked reserve for surpluses and losses be set up and reviewed over a suggested three year rolling basis.

The service has returned a chargeable surplus of £14,000 (£12,000 surplus in 2015/16). The building control trading account reserve has a £26,000 surplus as at 31st March 2017. In line with the regulations the section will review future pricing policy in order to ensure that reserves remain at an acceptable level going forward.

2015/16				2016/17		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
-	(342)	(342)	Turnover	-	(373)	(373)
-	(342)	(342)	- Chargeable	-	(373)	(373)
-	-	-	- Non-Chargeable	-	-	-
-	489	489	Expenditure	-	503	503
-	330	330	- Chargeable	-	359	359
-	159	159	- Non-Chargeable	-	144	144
-	147	147	(Surplus)/Deficit	-	130	130
-	(12)	(12)	- Chargeable	-	(14)	(14)
-	159	159	- Non-Chargeable	-	144	144

Retail Markets

The authority operates 3 retail markets in Monmouth, Caldicot and Abergavenny. The Markets run twice per week at each site and has the aim of providing traders with the environment to allow them to operate to their full potential benefiting not only themselves but their customers. The Authority views it's markets as an integral part of the life and economic regeneration of Monmouthshire towns.

2015/16				2016/17		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
-	(327)	(327)	Turnover	-	(349)	(349)
-	396	396	Expenditure	-	348	348
-	69	69	(Surplus)/Deficit	-	(1)	(1)

Industrial Units

The Council manages 44 industrial units, situated predominantly in the south of the County. The units are let at market rents on flexible terms, any net surpluses are used to support service delivery.

2015/16				2016/17		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
-	(63)	(63)	Turnover	-	(191)	(191)
-	69	69	Expenditure	-	112	112
-	-	-	Movement in asset value	-	-	-
-	6	6	(Surplus)/Deficit	-	(79)	(79)

Highways External Clients

In April 2016 the main client contract with WG changed to a cost recovery only model so no surplus/deficit was made in the 2016/17 financial year.

2015/16				2016/17		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
-	(5,894)	(5,894)	Turnover	-	-	-
-	5,370	5,370	Expenditure	-	-	-
-	(524)	(524)	(Surplus)/Deficit	-	-	-

Trade Refuse

The Authority offers a residual waste collection to local businesses. Financial performance has improved in the last year mainly due to cheaper disposal costs resulting in an increase in surplus.

2015/16				2016/17		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
-	(469)	(469)	Turnover	-	(456)	(456)
-	318	318	Expenditure	-	294	294
-	(151)	(151)	(Surplus)/Deficit	-	(162)	(162)

Summary

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement. Some are an integral part of one of the Authority's services to the public whilst others are support services to the Authority's services to the public. The expenditure of these operations is allocated or recharged to headings in the Net Operating Expenditure of Continuing Operations. Only a residual amount of the net surplus on trading operations is charged as Financing and Investment Income and Expenditure.

2015/16 £000		2016/17 £000
(513)	Net (Surplus)/Deficit On Trading Operations	(169)
-	- Services to the Public included in Expenditure of Continuing Operations	-
5	Support Services recharged to Expenditure of Continuing Operations	(1)
(508)	Net (Surplus)/Deficit taken to financing and investment income and expenditure	(170)

11.5 Council Tax

Council tax derives from charges raised according to the value of residential properties. Each dwelling has been classified into one of nine valuation bands according to its capital value at 1 April 2003 for this specific purpose. Charges are calculated by taking the amount of income required for the Authority, Office of Police and Crime Commissioner for Gwent and Town and Community Councils for the forthcoming year and dividing this amount by the Council Tax Base. The Council Tax Base is the total number of properties in each valuation band adjusted by a proportion to convert the number to a Band D equivalent, totalled across all bands and adjusted for discounts. The tax base was 45,102 for 2016/17 (44,561 for 2015/16).

This average basic amount for a Band D property, £1,405.95 (£1,348.56 in 2015/16), is multiplied by the proportion specified for the particular band to give the individual amount due.

Council tax bills were based on the following multipliers for bands A to I.

Band	A	B	C	D	E	F	G	H	I
Multiplier	6/9	7/9	8/9	1.0	11/9	13/9	15/9	18/9	21/9
Chargeable Dwellings	501	3159	6668	8406	6909	7224	5083	1696	654
Valuation (£000)	up to 44	44-65	65-91	91-123	123-162	162-223	223-324	324-424	424+

The analysis of the net proceeds from council tax are as follows:

2015/16 £000		2016/17 £000
(61,004)	Council tax collectable	(63,903)
(232)	Provision for non-payment of council tax	(172)
(61,235)	Total Council Tax proceeds	(64,076)

11.6 National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Welsh Government specifies an amount for the rate, 0.486p per £ in 2016/17 (0.482p per £ in 2015/16) and, subject to the effects of transitory arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The Authority is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by the Welsh Assembly Government. The Welsh Government redistributes the sums payable to the local authorities on the basis of a fixed amount per head of population.

The NNDR income after relief and provisions of £20,066,000 (£21,060,000 for 2015/16) was based on an average rateable value of £56,274,091 (£56,515,324 for 2015/16).

2015/16 £000		2016/17 £000
21,204	Non-domestic rates collectable	20,249
(174)	Cost of collection allowance	(174)
30	(Increase)/Decrease in provision for bad debts	(9)
21,060	Payments into national pool	20,066
(26,737)	Redistribution from national pool	(27,981)

11.7 General Government Grants

The Authority received the following general government grants that were identified as not being attributable to specific services within the Net Cost of Services:

2015/16 £000		2016/17 £000
(66,819)	Revenue support grant	(63,567)
(822)	Outcome Agreement grant	0
(6,190)	Capital grants and contributions	(13,431)
(73,832)	Total	(76,998)

11.8 Grant Income
Capital Grants and Contributions

The Authority has credited the following capital grants & contributions to the Comprehensive Income and Expenditure Statement in 2016/17:

2015/16 £000		2016/17 £000
1,462	WAG General Capital Grant	1,461
379	Section 106 Developer Contributions	713
5,195	WAG Grants	11,869
171	Other Contributions	8
7,208	Total	14,051
	Credited to the Comprehensive Income and Expenditure Statement:	
(1,018)	Grants and contributions applied towards Revenue Expenditure Funded from Capital under Statute	(619)
(6,190)	Capital grants and contributions applied and credited to Taxation and Non-specific Grant Income	(13,431)
(7,208)	Total	(14,051)

Capital Grants and Contributions Received in Advance

The Authority has also received a number of capital grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the provider. The balances at the year-end are as follows:

2015/16 £000		2016/17 £000
	Capital Grants Receipts in Advance:	
0	Welsh Government	3,692
	Developer Contributions held in Advance:	
1,830	S106 Developer contributions	1,593
1,830	Total	5,285

Revenue Grants and Contributions

The Authority credited the following revenue grants and contributions to the Net Cost of Services within the Comprehensive Income and Expenditure Statement:

2015/16 £000		2016/17 £000
	Central Government:	
22,435	Housing benefit subsidy	21,610
	Welsh Assembly Government:	
3,266	Sixth Form Funding (DCELLS)	3,264
2,820	SEG / WEG (PDG)	4,062
2,244	Supporting People	2,136
2,080	Early Years / Foundation Phase	-
1,751	Sustainable Waste Management	1,898
218	Rural Development Plan	251
1,172	Flying Start Grant	1,160
717	Concessionary Fares (PTSG)	697
727	Families First	651
3,184	Other WAG grants	3,268
	Home Office:	
210	Afghan / Syrian Relocation Programme (Main Project)	172
119	Police and Crime Commissioner	145
4,763	Other Grants & Contributions	2,068
45,708	Revenue Grants and Contributions Receivable	41,382

12 NON-CURRENT ASSET & CAPITAL FINANCING NOTES

12.1 Property, Plant and Equipment

Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out by the Authority's Estates Section under the supervision of the Estates Manager, Mr B. Winstanley. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

The following statement summarises the progress of the Authority's rolling programme for the revaluation of fixed assets:

- The 2016/17 revaluations were carried out or approved by qualified valuers within the Authority's Estates section or external qualified valuers. The basis for valuation is set out in the accounting policies within section 17 of the notes to the accounts.
- All assets requiring valuations have been revalued in the 5 year period ending 31st March 2017. The valuations carried out during 2016/17 primarily included the leisure centres, community hubs, offices & depots and some other land & buildings.

	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Carried at historical cost	66	4,786	61,417	4,021	360	40,724	111,374
Valued at fair value as at:							
31 March 2017	87,480	-	-	-	-	-	87,480
31 March 2016	61,586	-	-	-	-	-	61,586
31 March 2015	15,456	-	-	-	-	-	15,456
31 March 2014	8,548	-	-	-	-	-	8,548
31 March 2013	411	-	-	-	-	-	411
Total Cost or Valuation	173,547	4,786	61,417	4,021	360	40,724	284,855

In-Year Movements in Property, Plant and Equipment

The following tables summarise the movements in the Authority's property, plant and equipment portfolio by asset type for the years ending 31st March 2017 and 31st March 2016.

Movements in 2016/17:	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	PFI Assets Included in Property, Plant and Equipment* £000
Cost or Valuation:								
At 1st April 2016	185,047	11,964	83,617	3,944	(0)	10,079	294,651	1,310
Additions	2,328	2,117	4,454	86	-	30,522	39,507	-
Revaluation movements taken to RRA	84	43	-	(8)	385	-	505	-
Revaluation movements taken to SDPS	(3,341)	-	-	-	78	(0)	(3,263)	-
Impairment movements taken to SDPS	(4,282)	-	(2,181)	-	56	-	(6,406)	-
Reclassified (to)/from Held for Sale	1,173	(96)	-	(1)	(750)	-	325	-
Other reclassifications	(831)	-	-	-	590	123	(118)	-

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At 31st March 2017	180,177	14,028	85,891	4,021	360	40,724	325,200	1,310
Accumulated Depreciation:								
At 1st April 2016	(13,500)	(8,356)	(22,969)	-	-	-	(44,824)	(94)
Depreciation charge	(9,409)	(949)	(1,505)	-	-	-	(11,863)	(45)
Depreciation written out on revaluation to RRA	6,590	-	-	-	105	-	6,695	-
Depreciation written out on revaluation to SDPS	3,229	-	-	-	7	-	3,235	-
Depreciation written out on impairment to SDPS	6,329	-	-	-	-	-	6,329	-
Reclassified to/(from) Held for Sale	-	63	-	-	-	-	63	-
Other reclassifications	131	-	-	-	(111)	-	20	-
At 31st March 2017	(6,629)	(9,242)	(24,474)	0	0	0	(40,345)	(139)
Net Book Value:								
At 31st March 2017	173,548	4,786	61,417	4,021	360	40,724	284,855	1,171
At 1st April 2016	171,547	3,608	60,649	3,944	0	10,079	249,826	1,216

Movements in 2015/16	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	PFI Assets Included in Property, Plant and Equipment* £000
Cost or Valuation:								
At 1st April 2015	172,844	11,097	83,090	3,887	4	1,141	272,063	1,245
Additions	2,673	867	3,126	95	-	8,242	15,003	0
Revaluation movements taken to RRA	9,989	-	-	-	-	-	9,989	65
Revaluation movements taken to SDPS	(3,287)	-	-	-	-	-	(3,287)	-
Impairment movements taken to SDPS	3,713	-	(2,599)	(41)	-	-	1,073	-
Reclassified (to)/from Held for Sale	(194)	-	-	(1)	-	-	(195)	-
Other reclassifications	(692)	-	-	4	(4)	696	4	-
At 31st March 2016	185,046	11,964	83,617	3,944	(0)	10,079	294,650	1,310
Accumulated Depreciation:								
At 1st April 2015	(16,553)	(7,017)	(21,477)	-	-	-	(45,046)	(49)
Depreciation charge	(6,079)	(1,339)	(1,492)	-	-	-	(8,910)	(45)
Depreciation written out on revaluation to RRA	6,266	-	-	-	-	-	6,266	-
Depreciation written out on revaluation to SDPS	771	-	-	-	-	-	771	-
Depreciation written out on impairment to SDPS	2,085	-	-	-	-	-	2,085	-
Other reclassifications	11	0	-	-	-	-	11	-
At 31st March 2016	(13,500)	(8,356)	(22,969)	-	-	-	(44,824)	(94)
Net Book Value:								
At 31st March 2016	171,547	3,608	60,649	3,944	0	10,079	249,826	1,216
At 1st April 2015	156,291	4,080	61,613	3,887	4	1,141	227,017	1,196

Information on Assets Held

Plant, property and equipment assets owned by the Council as at 31st March 2017 include the following:

31st March 2016		31st March 2017
Number (Restated)		Number
22	Primary Schools	22
4	Comprehensive Schools	4
1	Special Schools	1
3	Land Parcels	3
4	Nurseries	5
1	Playgroups	1
44	Associations and Clubs	43
353	Parks Open, Spaces, & Recreational Grounds	353
5	Libraries	5
1	Historic Sites	1
5	Museums and Theatres	5
4	Leisure Centres	4
2	Youth Centres	2
2	Outdoor Education Centres	2
1	Learning and Resource Centres	1
4	Residential Homes	4
3	Sheltered Housing Units	3
8	Community Centres	8
2	Day Centres	1
6	Industrial Units	6
78	Land Parcels	79
5	Allotments	5
39	Car Parks	39
31	Offices & Depots	27
18	Public Conveniences	17
2	District Shops & Restaurants	2
15	Cemeteries & Crematoria	14
5	Waste Disposal Sites	5
11	Sewerage Treatment Plants	11
2	Markets	2
1	Bus Stations	1
156	Vehicles	193
63	Plant and Machinery	74
19	Infrastructure	19
1	Arts and Antiquities	1
26	IT Equipment	27
0	Surplus Assets not Held for Sale	3

12.2 Summary of Capital Expenditure treatment

In order to assist the user of the accounts, the summary below provides a concise analysis of capital expenditure incurred by the Authority during the financial year and its resultant treatment in the statement of accounts.

Capital expenditure incurred by the Authority that does not result in an equivalent increase in the value of the underlying fixed asset is initially charged in full as a fixed asset addition, and then subsequently impaired in order to ensure that the carrying value of the fixed asset concerned is not overstated.

2015/16 £000		2016/17 £000
	Enhancing value:	
11,633	Property, plant and equipment	37,048

127	Investment properties	244
196	Intangible assets	46
0	Assets held for sale	-
148	Heritage assets	87
	Not enhancing value:	
3,371	Property, plant and equipment	2,459
208	Investment properties	364
0	Intangible assets	28
9	Assets held for sale	0
5	Heritage assets	8
3,149	Revenue Expenditure Funded from Capital under Statute	1,401
18,845	Total Capital Expenditure	41,684

12.3 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

31st March 2016 £000		31st March 2017 £000
122,860	Opening Capital Financing Requirement	114,076
	Capital investment:	
15,003	Property, Plant and Equipment	39,507
335	Investment Properties	608
9	Assets held for sale	0
153	Heritage Assets	95
196	Intangible Assets	74
3,149	Revenue Expenditure Funded from Capital under Statute	1,401
	Sources of finance:	
(7,765)	Capital receipts	(2,949)
(7,208)	Government grants and other contributions	(14,051)
(920)	Direct revenue contributions	(894)
	Other:	
(5,486)	Minimum revenue provision	(3,278)
(6,250)	Capital receipt set aside	0
114,076	Closing Capital Financing Requirement	134,588
	Explanation of movements in year:	
2,420	Increase in underlying need to borrowing - supported by Government financial assistance	2,400
532	Increase in underlying need to borrowing - unsupported by Government financial assistance	21,391
(5,486)	Less: Minimum revenue provision	(3,278)
(6,250)	Less: Capital receipt set aside	0
(8,784)	Increase / (decrease) in Capital Financing Requirement	20,512

12.4 Minimum Revenue Provision

The Council is not required to raise council tax to cover depreciation, impairment losses or amortisations. However, it is required to make an annual minimum revenue provision (MRP) from revenue to contribute towards the reduction in its overall borrowing requirement.

Provision is made in accordance with the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2014 and adjoining MRP guidance which places a simple duty for an authority each year to make an amount of MRP which it considers to be "prudent".

Council approved an MRP policy in March 2016 applying to the 2016/17 financial year which included the revision to the MRP policy which was approved by Cabinet in December 2015 to allow a recalculation of the MRP charge for unsupported borrowing undertaken since 2008/09 under the annuity method. This resulted in a significant reduction in the charge for 2016/17.

In December 2016, Council approved a change to the MRP policy relating to Supported borrowing from 4% reducing balance to the use of the straight line method over 50 years. This has not impacted 2016/17 but there will be a reduction of the MRP charge required in 2017/18.

The Authority also makes additional voluntary revenue contributions in respect of finance leased assets.

The amount of revenue provision made by the Authority in 2016/17 was £3,278,000 (£5,486,000 in 2015/16).

12.5 Capital Commitments

At 31st March 2017, the Authority has entered into major contracts (i.e. those individually above £200,000) for the construction of Property, Plant and Equipment in 2017/18 and later years budgeted to cost £14,168,000 (£2,392,000 at 31st March 2016).

12.6 Financing Capital Expenditure

The following streams of finance were utilised to fund capital expenditure during the year:

2015/16 £000		2016/17 £000
2,420	Supported Borrowing	2,400
532	Unsupported Borrowing	21,391
1,462	General Capital Grant	1,461
5,366	Capital grants and contributions	11,877
7,688	Council Fund Capital Receipts	2,949
77	Low Cost Home ownership receipts	0
	Revenue Contribution:	
648	Earmarked Reserves	784
272	Council Fund	110
379	S106 contributions	713
18,845		41,684

12.7 Investment Properties

Investment Properties are those that are used solely to earn rentals and/or for capital appreciation. Investment Properties are not used in any way to deliver a service and are not held for sale. The Authority's current portfolio of investment properties primarily consists of County Farms and District Shops.

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2015/16 £000		2016/17 £000
(495)	Rental income from investment property	(529)
174	Direct operating expenses arising from investment property	124
(321)	Net (gain)/loss	(405)

The following table summarises the movement in the fair value of investment properties over the year:

2015/16 £000		2016/17 £000
42,716	Balance at start of the year	41,098
335	Additions	608
(434)	Disposals	(5)
(1,515)	Net gains/(losses) from fair value adjustments recognised in Financing and Investment Income and Expenditure	133
(4)	Transfers (to)/from Property, Plant and Equipment	98
41,098	Balance at end of the year	41,932

Capital receipts totalling £160,000 were credited to the Capital receipts reserve during 2016/17 in relation to investment properties (553,500 in 2015/16).

Fair Value Hierarchy

Details of the Authority's investment properties and information about the fair value hierarchy:

2015/16				Type of Property	2016/17			
Quoted Prices in active markets for identical assets	Other Observable inputs	Significant Unobservable inputs	Total		Quoted Prices in active markets for identical assets	Other Observable inputs	Significant Unobservable inputs	Total
Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
£000	£000	£000	£000		£000	£000	£000	£000
0		101	101	Freehold Reversions	0		90	90
0	39,258		39,258	Agricultural Properties	0	40,072		40,072
0		489	489	Retail Units	0		518	518
0		1,250	1,250	Industrial Properties	0		1,252	1,252
0	39,258	1,840	41,098		0	40,072	1,860	41,932

There have been no transfers between levels during the year.

Level 2 Other Observable inputs: The fair value for the Agricultural Portfolio (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets locally. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Level 3 Significant Unobservable Inputs: The Freehold Reversions, Retail Properties and Industrial Properties located in the local authority area are measured using the income approach, by means of a term and reversion method. The approach has been developed using the authority's own data requiring it to factor in assumptions such as the duration, rent growth, occupancy levels, bad debt levels, maintenance costs, etc. These property types are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

Highest and Best Use: In estimating the fair value of the authority's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques: There has been no change in the valuation techniques used during the year for investment properties.

Level 3 Investment Properties

A summary of the movement in the fair value of level 3 investment properties over the year:

2015/16 £000		2016/17 £000
1,812	Balance at start of the year	1,840
0	Transfers (to)/from Level 3	0
4	Additions	51

0	Disposals	0
25	Net gains/(losses) from fair value adjustments included in Surplus or Deficit on the Provision of Services	(31)
1,840	Balance at end of the year	1,860

Fair Value Measurement

The valuers arrive at a Fair Value for level 3 Investment Properties by applying a yield to the income stream. The yield reflects the risk and is derived from factors such as the use made of the property, the quality of the tenant, the length and security of the income and also in the case of retail, the location. These impact on rent growth, occupancy levels, bad debt levels and maintenance costs. The yield is arrived at from the valuers knowledge of the market, from contacts and published information alongside knowledge of the individual asset.

Type of Property	Valuation Technique used to measure Fair Value	Unobservable Inputs	Range	Sensitivity
Freehold Reversions	Income approach, by means of a term and reversion method	Yield	4%	The Fair Value of the Property will increase as the yield reduces.
Retail Units		Yield	7% - 10%	
Industrial Properties		Yield	12%	

12.8 Assets Held for Sale

Assets held for sale comprise those assets that are available for immediate sale and where the sale is highly probable and will be actively marketed at its market value. The in-year movement and balance of assets held for sale as at 31st March 2017 are shown below:

2015/16 £000		2016/17 £000
22,095	Balance outstanding at start of year	20,684
9	Additions	-
184	Assets newly classified as held for sale: From PPE	1,034
-	Assets declassified as held for sale: To PPE	(1,423)
-	Revaluation gains	-
(236)	Revaluation losses	-
(9)	Impairment losses	-
(1,359)	Assets sold	(17,362)
20,684	Balance outstanding at year-end	2,933

12.9 Private Finance Initiatives

Monmouth Health & Social Care Facility (Monnow Vale)

The Authority has entered into a pooled budget arrangement with the Aneurin Bevan Local Health Board. Under the arrangements funds are pooled under Section 33 of the NHS (Wales) Act 2006 to provide health and social care in the form of inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs. This agreement came into effect from the 1st June 2006.

The Facility is a unique project that replaced a number of out dated or separate facilities scattered throughout the County with a new building that has been financed by a private finance partner over a period of 30 years.

The Authority accounts for its 29% share of the PFI assets, comprising buildings and equipment, with a corresponding liability amounting to its long term obligation for financing these assets.

The life of the building had originally been established for valuation purposes as being 40 years and the equipment as being 15 years. As the life of the building is 10 years beyond that of the PFI agreement, it is anticipated that the facility will be used by the parties beyond the 30 year PFI agreement. At the end of the agreement, the buildings revert to the Health Board at nil consideration. There have been no changes in the arrangements during the year.

The Authority's share in the assets used to provide services at the facility are recognised on the Authority's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in Note 12.1(b).

12.10 Leases - Authority as Lessee

Operating Leases

The Authority has acquired property, vehicles, plant and equipment by entering into operating leases.

The expenditure charged to the services within the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £386,000 (£410,000 in 2015/16).

The future minimum lease payments due under non-cancellable leases in future years are:

2015/16 £000		2016/17 £000
398	Not later than one year	225
516	Later than one year and not later than five years	390
634	Later than five years	68
1,548		683

12.11 Leases - Authority as Lessor

Operating Leases

The Authority has entered into operating lease arrangements to lease property assets to various individuals and organisations. These primarily consist of Industrial units, County Farms, Land parcels and Recreation halls.

The minimum lease payments receivable includes rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. During the financial year £568,000 of minimum lease payments were receivable by the Authority (£592,000 in 2015/16).

The future minimum lease payments receivable under non-cancellable leases in future years are:

2015/16 £000 (Restated)		2016/17 £000
584	Not later than one year	441
1,244	Later than one year and not later than five years	1,071
3,749	Later than five years	3,200
5,577		4,712

Finance Leases

During the year, the Authority has granted a finance lease to an external lessee. A lease premium of £13,750,000 was received in year, with a further £4,000,000 being receivable over 25 years. The lease duration is for 125 years. In accordance with the Accounting code of practice for finance leases, the income from this lease has been and will be treated as Capital receipts by the Authority.

2015/16			2016/17	
Present Value of Minimum Lease Payments to the Authority	Gross Amount outstanding from Lessee		Present Value of Minimum Lease Payments to the Authority	Gross Amount outstanding from Lessee
£000			£000	
0	0	Not later than one year	160	160
0	0	Later than one year and not later than five years	640	640
0	0	Later than five years	3,200	3,200
0	0		4,000	4,000

12.12 Heritage Assets

The Code requires that heritage assets are measured at valuation in the financial statements, together with comparative year information. The Code however permits some relaxations in the valuation requirements of heritage assets, meaning that the authority could potentially recognise more of the museums collections in the Balance Sheet. However, whereas the Authority recognises some heritage collections in financial statements, it is of the view that obtaining valuations for the vast majority of these collections would involve a disproportionate cost of obtaining the information in comparison to the benefits to the users of the Authority's financial statements. Whilst this exemption is permitted by the Code, the position will be subject to ongoing review.

The Authority would not typically consider disposing of any heritage assets even though previously offers have been received.

The following table summarises the movement in the carrying value of Heritage assets:

	Property Heritage Assets £000	Museum Exhibits £000	Civic Regalia, Artwork & Collect'n £000	Total £000
Cost or Valuation:				
1st April 2015	3	4,464	180	4,647
Additions	153	-	-	153
Revaluation increases/ (decreases) recognised in the SDPS	-	-	-	0
Impairment losses/(reversals) recognised in the SDPS	(5)	-	-	(5)
31st March 2016	151	4,464	180	4,795
Cost or Valuation:				
Additions	95	-	-	95
Impairment losses/(reversals) recognised in the SDPS	(8)	-	-	(8)
31st March 2017	238	4,464	180	4,882

Property Heritage Assets

The Authority owns six property assets which meet the criteria for inclusion as heritage assets. These comprise the following assets:

- Caldicot Castle
- Angidy Ironworks, Tintern
- The Slaughterhouse - Arches, Monmouth
- Clydach Ironworks, Clydach
- War Memorial, Frogmore St, Abergavenny
- Tintern Station, Tintern

These assets were last valued during 2011/12 on a fair value - existing use value (EUV) basis and were carried out internally by the Authority's Estates Section under the supervision of the Estates & Sustainability Manager, Mrs D. Hill-Howells MRICS.

Further to this Abergavenny Museum and Castle is leased by the Authority.

Museum Exhibits

Monmouthshire operates four museums, namely Monmouth, (The Nelson Museum), Abergavenny, Caldicot (Castle) and Chepstow. Each individual museum maintains an inventory of exhibits and the Authority last commissioned a valuation of material items in August 2012.

The most significant museum exhibit is the Nelson collection which is included on the balance sheet at a valuation of £4.3m and was last valued by external valuers in August 2012. The valuation was limited to selected items with market prices in excess of £1,000.

Civic Regalia, Artwork & Collections

Five other assets are classified as Heritage assets under this classification where cost information was readily available. These comprise the following assets:

- Henry Tapestry
- Chairman's Chain of Office
- Vice Chairman's Chain & Insignia
- Lady Chairman's Chain & Insignia
- Vice Lady Chairman's Chain & Insignia

These assets are currently valued at their most recent insurance valuation. The Authority currently has insurance cover in place for the majority of the exhibits. This was agreed through negotiation with the insurance underwriters.

12.13 Schools Non-Current Assets

The Authority currently owns and runs four comprehensive schools, twenty two primary schools and one special school. In addition to the twenty two primary schools, there are four voluntary controlled schools and four voluntary aided schools.

The Authority runs the voluntary controlled schools on behalf of 3rd party organisations such as charities and religious organisations who own the underlying assets. The Authority does not record these school assets on its balance sheet.

With regards to voluntary aided schools within Monmouthshire, and similar to voluntary controlled schools, the assets are owned by 3rd party organisations and are not recorded on the Authority's balance sheet.

The net book value of school non-current assets as at 31st March 2017, shown in the Authority's balance sheet, is £140,402,511 (£117,585,000 (Restated) as at 31st March 2016).

13 FINANCIAL INSTRUMENTS, CURRENT ASSETS & LIABILITIES NOTES
13.1 Categories of Financial Instruments

The Authority holds no financial assets or financial liabilities at fair value through profit or loss, where assets or liabilities would be classified as held for trading.

An unquoted equity investment of £40,000 represents an equal share with Torfaen County Borough Council in SRS Business Solutions Limited. This investments comprised seed funding for the company and is expected to be recovered in full. Further information is provided in note 16.6.

Short term debtors and creditors are carried at cost as this is a fair approximation of their value. Debtors are impaired where there is objective evidence that the carrying amount exceeds the recoverable amount and amounts shown are the amount net of any such impairment.

The following categories of financial instrument are carried in the Balance Sheet as at 31st March 2017:

Long-Term 31st March 2016 £000	Short-Term 31st March 2016 £000		Note	Long-Term 31st March 2017 £000	Short-Term 31st March 2017 £000
		Investments			
-	3,999	Loans & receivables	13.4	-	-
40	-	Unquoted equity investments	13.4	40	-
-	7,621	Cash & cash equivalents	15.3	-	6,498
40	11,620	Total Investments		40	6,498
		Debtors			
312	19,855	Receivables	13.5	4,240	24,177
312	19,855	Total Debtors		4,240	24,177
		Borrowings			
(65,708)	(29,852)	Financial liabilities at amortised cost	13.4	(69,682)	(20,267)
-	(1,025)	Cash & cash equivalents	15.3	-	(30)
(65,708)	(30,877)	Total Borrowings		(69,682)	(20,297)
		Other Long Term Liabilities			
(833)	0	PFI and finance lease liabilities		(803)	0
(404)	0	Other Long Term Liabilities		(952)	0
(1,237)	0	Total Other Long Term Liabilities		(1,754)	0
		Creditors			
0	(22,244)	Payables	13.6	0	(28,437)
0	(22,244)	Total Creditors		0	(28,437)

13.2 Income, Expense, Gains and Losses

The Income, expense, gains and losses recognised in Financing Income and Expenditure in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

2015/16 £000		2016/17 £000
	Financial Liabilities measured at amortised cost:	
3,264	Interest payable on external debt	2,904
(9)	Debt reimbursement from third parties	(9)
3	Interest payable to trust funds	5
23	Interest payable on finance leases	22
3,281	Total Interest payable and similar charges	2,922
	Financial assets - loans and receivables:	
(103)	Interest income	(70)
-	Interest income accrued on impaired financial assets	0

(48)	Investment Losses / (Gains)	0
(14)	Other interest and investment income	(20)
(165)	Total Interest Income	(90)
3,116	Net (gain)/loss for the year	2,832

13.3 Fair Values of Financial Instruments

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Interest is calculated using the most common market convention, ACT/365
- Where interest is paid every 6 months on a day basis, the value of interest is rounded to 2 equal instalments
- For fixed term deposits it is assumed that interest is received on maturity, or annually if duration is greater than 1 year
- The interest value and date have not been adjusted where a relevant date occurs on a non-working day
- The fair values of long term 'Lender's Option Borrower's Option' (LOBO) loans have been calculated by discounting the contractual cash flows over the whole life of the instrument at the appropriate interest rate swap rate and adding the value of the embedded options. Lender's options to propose an increase to the interest rate on the loan have been valued according to Bloomberg's proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumptions that lenders will only exercise their options when market rates have risen above the contractual loan rate.

The fair values calculated are as follows:

Borrowings

Carrying Amount	Fair Value		Carrying Amount	Fair Value
31st March 2016	31st March 2016		31st March 2017	31st March 2017
£000	£000		£000	£000
(95,560)	(131,483)	Financial liabilities at amortised cost	(89,949)	(114,134)

The fair value is more than the carrying amount because the authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the discount rate (underlying market rates) at the Balance Sheet date. This commitment to pay interest above current market rates increases the amount that the authority would have to pay if the lender requested or agreed to early repayment of the loans.

Loans and Receivables

Due to the short term nature of the investments, the carrying amount of loans and receivables held at the balance sheet date is deemed to be a reasonable approximation of the fair value.

13.4 Nature and Extent of Risks arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the authority
- Liquidity risk – the possibility that the authority might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team in conjunction with appointed treasury advisors, under policies approved by the Council in the Treasury Management Strategy and Annual Investment Strategy. The strategy provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash.

The revised Borrowing Strategy continues to take into account the fact that it is cheaper to borrow for shorter periods than for long periods as previously was the case. It also took into account that there was a net benefit to be gained from internal borrowing, where surplus cash is utilised to fund capital expenditure, compared to borrowing externally. This approach reduces surplus cash balances but produces a net benefit as the cost of borrowing is higher than the returns from investing the additional surplus cash.

The investment strategy seeks to minimise risk in the current climate by restricting investment to institutions which are given a high credit rating by external rating agencies and which continue to show other measures of credit worthiness and as advised by leading financial consultants and by ensuring liquidity is maintained with short term deposits.

The Authority has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and has set treasury management indicators to control key financial instrument risks in accordance with CIPFA's Prudential Code.

a) Credit Risk

Credit risk arises from deposits with banks and other financial institutions, as well as credit exposures to the authority's customers. Deposits are not made with banks and financial institutions if either they or their resident Country fall below the minimum "high" credit criteria set by the Authority. Different counterparty limits are in place for different investment instruments, based on type or Country of origin.

All of the investments currently held by the Authority are considered to be of low credit risk. The Authority, assisted by its treasury advisors, has this position constantly under review.

The authority does not expect any losses from non-performance by any of its counterparties in relation to investments held as at 31st March 2017.

Customers for goods and services are assessed taking into account their financial position, past experience and other factors such as the current economic climate. Risk of default and uncollectability is assessed based on the nature of the underlying debt and historic collection rates. Receivables as at the year-end are illustrated in note 13.5 to the accounts, together with any associated impairment.

b) Liquidity Risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the authority has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates.

The maturity and counterparty analysis of financial liabilities is as follows:

31st March 2016 £000		31st March 2017 £000
53,203	Public Works Loan Board	52,223
13,813	Market Loans	13,818
2,458	Welsh Government	4,973
26,086	Other local authorities	18,935
95,560	Total	89,949
	The Loans Mature as follows:-	
29,852	Less than one year	20,267
3,108	Between one and two years	1,537
16,876	Between two and five years	24,027
8,150	Between five and ten years	9,860
37,573	More than ten years	34,257
95,560	Total	89,949

The financial liabilities with Welsh Government are interest free loans:- Salix loans that have been provided to fund capital schemes targeted towards energy efficiencies initiatives; a loan of £433,000 for Street Lighting upgrades and a loan of £4,455,000 which has funded the Oak Grove solar farm construction. Accounting requirements require financial liabilities in the form of loans to be carried at amortised cost. However, these interest free loans have not been carried at amortised cost on the grounds that the figures quoted are not materially different.

Market loans are considered long term loans based on the remaining time to maturity, but it should be noted that they are currently within their call period. If a lender should exercise a call option on one of these loans, Monmouthshire County Council has the right to repay the loan immediately.

c) Market Risk
i) Interest rate risk

The Authority is exposed to significant risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise
- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- Investments at fixed rates – the fair value of the assets will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance. The Authority held no investments carried at fair value at the 31st March 2017 (£nil at 31st March 2016).

The Authority has a number of strategies for managing interest rate risk. The 2017/18 Treasury strategy includes monetary limits for net variable Interest rate exposure, which is difference between the levels of variable rate debt and variable rate investments. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of central government grant payable on financing costs (supported borrowing) will normally move with prevailing interest rates or the authority's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget. In-year analysis allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

At 31st March 2017, if interest rates had been 1% higher with all other variables held constant, the most significant financial effect would be:

- Financial Liabilities - a reduction in fair value of £9,823,403 (£25,177,000 reduction in 2015/16).
- Financial Assets - the difference between the carrying and fair value will be immaterial due to the short term nature of investments.

The impact of a 1% fall in interest rates on financial liabilities would be as above but with the movements being reversed.

ii) Price risk

The Authority does not hold any tradable equity shares or shareholdings. It is carrying a £40,000 investment in shares of SRS Limited, a company set up with and jointly owned by Torfaen Borough Council & Gwent Police Authority.

iii) Foreign exchange risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

13.5 Debtors

The nature and value of payments due to the Council for the year but not received as at 31st March 2017, repayable in the short term (within 12 months of the balance sheet date) and long term (after 12 months of the balance sheet date), is summarised below:

31st March 2016					31st March 2017			
Long Term £000	Short Term £000	Impairment £000	Net £000		Long Term £000	Short Term £000	Impairment £000	Net £000
				Central Government Bodies:				
0	6,110	0	6,110	Welsh Government	0	4,958	0	4,958
0	407	0	407	HM Customs & Excise	0	2,376	0	2,376
0	1,812	0	1,812	NNDR Debtor	0	1,265	0	1,265
0	365	0	365	Council Tax and Housing Benefit Subsidy	0	0	0	0
0	14	0	14	Other	0	8	0	8

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				Other entities and individuals:				
0	4,144	0	4,144	Other Local Authorities	0	4,128	46	4,174
0	0	0	0	Deferred Capital receipts	4,000	0	0	4,000
0	528	(67)	461	Revenue debtors	0	2,500	(62)	2,438
0	2,706	(1,970)	736	Council tax arrears	0	2,481	(1,798)	683
0	3,566	(322)	3,244	Corporate sundry debtors	0	1,464	(260)	1,204
0	1,429	(608)	821	Housing benefit overpayments	0	1,333	(582)	751
0	344	0	344	NHS Bodies	0	1,313	(13)	1,300
0	505	(87)	418	Social Services debtors	0	626	(110)	517
0	185	(135)	50	Rent arrears	0	215	(168)	47
0	616	0	616	Capital debtors	0	216	0	216
217	0	0	217	Housing Advances	214	0	0	214
95	0	0	95	Other	26	0	0	26
312	22,732	(3,189)	19,855	Total Debtors	4,240	22,883	(2,947)	24,177

The aged analysis of the debtors outstanding as at 31st March 2017 is as follows:

	Not Overdue £000	Up to 3 Months £000	3 Months - 12 Months £000	Over 12 Months £000	Over 24 Months £000	Total £000
Central Government Bodies:						
Welsh Government	4,958	0	0	0	0	4,958
HM Customs & Excise	2,376	0	0	0	0	2,376
NNDR Debtor	801	0	375	80	9	1,265
Council Tax and Housing Benefit Subsidy	0	0	0	0	0	0
Other	8	0	0	0	0	8
Other entities and individuals:						
Other Local Authorities	3,496	474	65	92	2	4,128
Deferred Capital receipts	0	0	160	160	3,680	4,000
Revenue debtors	2,438	0	0	37	25	2,500
Council tax arrears	0	0	1,066	411	1,004	2,481
Corporate sundry debtors	651	198	237	133	244	1,464
Housing benefit overpayments	83	148	270	224	607	1,333
NHS Bodies	1,085	175	39	0	13	1,313
Social Services sundry debtors	111	134	204	86	91	626
Capital debtors	216	0	0	0	0	217
Rent arrears	29	8	26	16	135	215
Housing Advances	0	0	0	214	0	214
Other	0	0	0	26	0	26
Total	16,253	1,138	2,442	1,480	5,810	27,123

The associated impairment for potential default and uncollectability for debtors outstanding as at 31st March 2017 is as follows:

	Not Overdue £000	Up to 3 Months £000	3 Months - 12 Months £000	Over 12 Months £000	Over 24 Months £000	Total £000
Other Local Authorities	0	(1)	49	(1)	(1)	46
NHS Bodies	0	0	0	0	(13)	(13)
Revenue debtors	0	0	0	(37)	(25)	(62)
Council Tax Arrears	0	0	(407)	(387)	(1,004)	(1,798)
Social Services sundry debtors	(4)	(20)	(27)	(16)	(43)	(110)

Corporate sundry debtors	0	(4)	(67)	(52)	(138)	(260)
Rent arrears	0	(3)	(14)	(16)	(135)	(168)
Housing benefit overpayments	0	0	(96)	(53)	(433)	(582)
Total	(4)	(28)	(562)	(562)	(1,791)	(2,947)

13.6 Creditors

It is the Authority's policy to pay creditors promptly, without undue delay and within mutually agreed terms. 97% of payments were paid within a 30 day target settlement date (95% in 2015/16).

The nature and value of payments due to be made by the Council in the year but not actually made as at 31st March 2017 is summarised below:

31st March 2016 £000		31st March 2017 £000
1,531	Central Government Bodies	6,370
2,592	Other Local Authorities	5,309
140	NHS Bodies	557
4,611	Capital Creditors	4,114
13,369	Other entities & individuals	12,087
22,244	Total	28,437

13.7 Provisions and Contingent Liabilities

The value of provisions as at 31st March 2017, together with their movement for the year, is summarised below:

	Note	As at 1st April 2016 £000	Additional Provisions Made £000	Amounts Used £000	Unused Amounts Reversed £000	As at 31st March 2017 £000
Insurance Claims	13.8a	258	594	(38)	(139)	675
Insurance Claims - MMI	13.8b	7	24	0	0	31
Accumulating Compensated Absences	13.8c	1,992	3,245	(1,992)	0	3,245
Total		2,256	3,863	(2,030)	(139)	3,951

The analysis of provisions between those that are short-term and long-term where it is expected that the provision will be settled within 12 months or greater than 12 months of the balance sheet date respectively, are summarised below:

Current 31st March 2016 £000	Long Term 31st March 2016 £000		Current 31st March 2017 £000	Long Term 31st March 2017 £000
129	129	Insurance Claims	338	338
4	3	Insurance Claims - MMI	16	16
1,992	0	Accumulating Compensated Absences	3,245	0
2,124	132	Total	3,598	353

a) Insurance Claims

The Authority maintains insurance policies to cover itself against claims made. The effect of these policies is to limit the Council's costs in relation to successful claims made against it. Annual insurance premiums have been recharged to services during the financial year along with costs of claims incurred.

To satisfy IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a full actuarial assessment of open insurance claims was carried out at 30th September 2015 by the Authority's insurance brokers. The Authority has used this data to project future potential liabilities on the basis of current claims received, policy excesses and stop losses (the capped loss we can incur in any policy year). This assessment has allowed the Authority to reflect the estimated cost of liabilities at 31 March 2017. Provision has only been made where the Authority's insurers indicate a settlement is likely. The result is that the total provision is at the most likely level to be paid out in the future. Any movement in provisions has been charged against the services to which the claims relate.

The Authority maintains the insurance and risk management reserve to assist in the control of the Authority's insurance risks. The balance in the reserve is reviewed annually as part of the assessment on the adequacy of reserves by the Head of Finance. The reserve is required to cover potential claims not yet reported as well as recorded claims, which do not merit a provision, referred to above. It therefore represents additional cover, over and above the provision, to cover all foreseeable claims as at the balance sheet date.

The provision in place at 31st March 2017 was £675,000 (£258,000 at 31st March 2016) and the balance on the insurance and risk management reserve as at 31st March 2017 was £1,053,000 (£1,206,000 as at 31st March 2016). These balances are deemed to provide sufficient cover for the Authority's claims exposure.

The total number of open claims made against the Authority as at 31st March 2017 was 181 (205 open claims as at 31st March 2016).

A breakdown of the provision made across policy types is provided below:

2015/16 £000		2016/17 £000
199	Public Liability	292
27	Employer's Liability	383
32	Property	0
258	Total	675

b) Municipal Mutual Insurance (MMI)

For the policy years before 1992/93, the local authority is exposed to an insurance liability relating to the closure of the MMI Fund on 30th September 1992. MMI had insufficient funds to meet existing and future claims and its liquidators exercised the option of recovering an initial levy from each scheme member of 15% via a levy notice on 1st January 2014. The levy was increased to 25% by way of a second notice on the 1st April 2016.

In addition to the levy paid for settled claims, a percentage payment is also applied to outstanding claims which are subsequently settled against the Authority. As at the 31st March 2017, a provision of £31,000 has been made for outstanding claims of this nature.

c) Accumulating Compensated Absences

Short-term accumulating compensated absences comprise employee benefits in the form of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year and are due to be settled within 12 months of the year-end.

A provision is made as a result of the earned benefit not taken before year-end being established on a sample basis of employees, extrapolated to establish the estimated total accrued benefit. The provision is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit.

The provision is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement as required by regulations in place, so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

The value of the provision made in respect of such employee benefits at the 31st March 2017 was £3,245,000 (£1,992,000 at 31st March 2016).

d) Asbestos Indemnity

As part of the process of transferring the Authority's council housing stock in 2007/08, Council approved changes to the Stock Transfer Agreement to include an asbestos indemnity.

It was a standard requirement of stock transfers that the local authority provides an indemnity to the funders and new landlord, in this case Monmouthshire Housing Association, with respect to the presence of asbestos in the property transferring. The indemnity does not apply in respect of the first £2.55million of costs incurred in relation to such works, as updated annually by RPI.

The resultant provision is one where the authority has negotiated a limited contingent liability of £6.003million, as updated annually by RPI, for a period of 15 years from the date of transfer of 20th January 2008. 6 years remain of this period.

There are no immediate financial implications and professional advice suggests a low risk of future liability arising. Low risk does not however equate to “no risk” and there is a potential future liability of up to £6.184 million as updated by RPI (£6.003 million as at 31st March 2016) , in the event the asbestos indemnity is called upon.

The latest available information indicates spend to date by Monmouthshire Housing Association (for the period 21st January 2008 to 31st March 2017) is £73,572 (previously £60,503 for the period 21st January 2008 to 31st March 2016).

13.8 Agency Transactions

Home Improvement Loans (HIL) and Vibrant and Viable Places (VVP) Loans

The Welsh Government has established a scheme whereby loans are made available, through Local Authorities, to homeowners and landlords wishing to renovate their properties for rent or sale.

Under this scheme, Monmouthshire County Council is acting an agent for Welsh Government by implementing this initiative. Our role will be to promote the scheme, administer applications, conduct financial and property checks and process applications.

Funding is paid to the Local Authority at the start of the scheme which we hold in our account. Welsh Government have set out terms and conditions which are detailed below: -

Loans are interest free

The maximum loan period is dependant on whether the property to be renovated is sold or let

The loan amount is capped at £25,000 per unit of accommodation

The maximum loan amount per applicant is £150,000

The below table set out a financial analysis for the scheme in the accounts:

	Agency funds from WG	Interest Earned	Loans Issued	Repayment to WG	Total
	£000s	£000s	£000s	£000s	£000s
Home Improvement Loans	1,250	10	(91)	(1,159)	10
Vibrant and Viable Places Loans	621	3	(49)	0	575
Total	1,871	13	(140)	(1,159)	585

The gross amount owed to Welsh Government is £725,000. The amounts owed by Loan recipients to Monmouthshire County Council is £140,000. The net, £585,000, is held within Long Term Liabilities.

14 POST-EMPLOYMENT BENEFIT NOTES

14.1 Participation in Pension Schemes

The council is required to account for its pension costs in accordance with IAS19 - employee benefits.

This means that the council's financial statements need to reflect fair value of future pension liabilities that have been incurred, and the extent to which assets have been set aside to fund them, rather than the actual payments and contributions made in the year.

Teachers

Teachers employed by the Authority are members of the Teachers' Pension Scheme (TPS), administered by Capita Business Services Ltd on behalf of the Department for Education.

The scheme is a statutory, unfunded, defined benefit occupational pension scheme with benefits based on final average salary and length of service. The Department for Education use a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Authority is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

The latest available figure for total net scheme liability is £271,633 million as at the 31 March 2016 (£275,445 million at 31 March 2015). The latest actuarial valuation of the scheme (undertaken every 4 years), as at 31 March 2012 was published on the 9th June 2014. Key results from the actuarial valuation include an increase in employer contribution from 14.1% to 16.4% of pensionable pay commencing 1 September 2015 and an employer cost cap of 10.9% of pensionable pay. The reported deficiency in the balance of assets less liabilities of the scheme was reported as £15,000 million at 31 March 2012 (£3,260 million at 31 March 2004, the previous actuarial valuation).

In 2016/17 the Authority paid £3,916,000 (£3,725,000 in 2015/16) to the scheme in respect of teachers' retirement benefits, representing 16.48% of teachers' pensionable pay (15.5% for 2015/16).

The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and are detailed below.

There were £324,000 of contributions remaining payable to the scheme at the year end (£332,000 at 31st March 2016).

Greater Gwent Pension Fund

The Authority participates in two pension schemes administered by Torfaen County Borough Council:

- The Local Government Pension Scheme - This is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets in the long term.
- Unfunded Teachers Discretionary Benefits - the Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme above. This is unfunded, meaning that there are no investment assets built up to meet pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The following sections of the notes provide further supporting information covering the Authority's interest in the Greater Gwent Pension Fund.

14.2 Pension Fund Stakeholders

14.3 Entries in the comprehensive income and expenditure statement

14.4 Expected future pension contributions

14.5 Actuarial Assumptions

14.6 Sensitivity analysis

14.7 Investments held by the pension fund

14.8 The movement in the authority's share of the assets and liabilities within the Fund

14.9 A summary explanation of the movement in assets and liabilities

14.2 Pension Fund Stakeholders

The total defined benefit obligation for the Authority's share of the Greater Gwent Pension fund (excluding unfunded liabilities) as at the 31st March 2017 is split as follows:

2015/16			2016/17	
£000's	%		£000's	%
196,509	46%	Active	243,098	46%
60,739	14%	Deferred	94,898	18%
174,097	40%	Pensioners	188,068	36%
431,345	100%	Total	526,064	100%

A breakdown of the investments held by the Greater Gwent pension fund, quoted and unquoted is given in 14.9 giving an indication of the level of diversification and therefore risk within the fund.

Finance is only required to be raised to cover teachers unfunded discretionary benefits when the pensions are actually paid.

14.3 Entries in the comprehensive income and expenditure statement

The Authority recognises retirement benefits in the net cost of services, as they are earned by employees not when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable to the pension fund in the year, so the real cost of post-employment/ retirement benefits is reversed out of the Council Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Council Fund Balance via the Movement in Reserves Statement during the year.

Finance is only required to be raised to cover teachers unfunded discretionary benefits when the pensions are actually paid.

Local Government Pension Scheme	Teachers' Unfunded Discretionary Benefits		Local Government Pension Scheme	Teachers' Unfunded Discretionary Benefits
2015/16 £000's	2015/16 £000's		2016/17 £000's	2016/17 £000's
Comprehensive Income and Expenditure Account				
Net Cost of Services:				
10,813	0	current service cost	11,106	0
286	0	past service cost / (gain) including curtailments	77	0
0	0	settlement gain	0	0
0	0	administration expenses of plan assets *	0	0
11,099	0	Total Net Cost of Services	11,183	0
Financing and Investment Income and Expenditure:				
13,986	147	interest cost on pension liabilities	15,286	199
(8,599)	0	interest income on plan assets	(8,894)	0
0	0	Impact of asset ceiling on net interest	0	0
16,486	147	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	17,575	199
Other Comprehensive Income and Expenditure:				
11,754	1,278	(Gains) and losses on remeasurement	22,200	(212)
1,617	0	Effect of business combinations and disposals	0	0
13,371	1,278	Total Other Comprehensive Income and Expenditure	22,200	(212)
29,857	1,425	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	39,775	(13)
Movement in Reserves Statement				
(16,486)	(147)	reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits	(17,575)	(199)
Actual amount charged against the Council Fund for pensions in the year:				
9,954	517	employers' contributions payable to scheme	10,270	481

* For 2016/17, the administration expenses are included in the current service cost

14.4 Expected future pension contributions

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2018 is £9,373,000. Expected contributions for Teachers Unfunded Discretionary Benefits scheme in the year to 31 March 2018 are £486,000.

Statutory arrangements are in place to ensure that the financial position of the fund remains healthy. In the 31 March 2016 Actuarial Valuation, a shortfall of 28% of the fund's liabilities was identified. The Fund's 'funding target' is to achieve and maintain a funding level of 100% of liabilities. The maximum deficit recovery period has been set at 25 years. At each Actuarial Valuation, a contribution rate is set to meet the funding target over the deficit recovery period.

14.5 Actuarial Assumptions

The latest full actuarial valuation of the Greater Gwent (Torfaen) Pension Scheme was carried out on the 31st March 2016. In between formal valuations which occur every three years the actuary assesses the extent of the employers pension assets and liabilities.

Both the Teachers unfunded discretionary benefits and the County Council fund liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries. The actuary has used the projected unit credit method to arrive at their valuation. This is dependent on the underlying assumptions which have been made about mortality rates, salary levels, discount rates etc. Any differences which arise between these assumptions and actual trends will cause an associated change in the net pension liability arising.

The principal assumptions used by the actuary in their calculations have been:

Financial Assumptions	Local Government Pension Scheme			Teachers Unfunded Discretionary Benefits		
	31st March 2017	31st March 2016	31st March 2015	31st March 2017	31st March 2016	31st March 2015
Rate of increase in salaries	2.8%	3.7%	3.5%	-	-	-
Rate of increase in pensions (inline with CPI)	2.4%	2.2%	2.0%	2.4%	2.2%	2.0%
Rate for discounting scheme liabilities	2.6%	3.5%	3.3%	2.6%	3.5%	3.1%
Life Expectancy:						
Current male pensioner aged 65 (years)	21.5	23.0	23.0	21.5	23.0	23.0
Current female pensioner aged 65 (years)	23.9	25.4	25.5	23.9	25.4	25.5
Future male pensioner aged 65 in 20 years' time (years)	23.6	25.2	25.3	-	-	-
Future female pensioner aged 65 in 20 years' time (years)	26.1	27.8	27.9	-	-	-

The discount rate used to value fund liabilities is based on market yields on high quality corporate bonds, estimated using the iBoxx AA corporate bond index.

The weighted average duration at the most recent actuarial valuation for Monmouthshire County Council is 17 to 23 years. Monmouthshire County Council is in the Medium category.

14.6 Sensitivity Analysis

As noted above, changes to the financial assumptions disclosed in 14.5 will result in movements in the key pension related financial outcomes. An estimation of the results of such movements are given below.

Change in assumption at 31st March 2017	Approximate % increase to Employer	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	10%	52,735
0.5% increase in the Salary Increase Rate	2%	9,047
0.5% increase in the Pension Increase Rate	8%	42,854

In addition the actuary estimates that a one year increase in life expectancy would approximately increase the Employers Defined Benefit Obligation by around 3-5%. In practice this is dependent on the age groups predominantly affected.

14.7 Investments held by the pension fund

Teachers unfunded discretionary payments have no assets to cover its liabilities. The Local Government Pension Scheme's assets are valued at fair value, and consist of the following categories, by proportion of the total assets held:

31st March 2016		Category	Quoted in Active markets	31st March 2017	
£000	%			£000	%
49,063	19.3%	Equities	Yes	60,314	18.9%
		Investment funds & Unit Trusts			
148,020	58.2%	Equities	No	184,311	57.7%
39,278	15.4%	Bonds	No	56,545	17.7%
8,555	3.4%	Other	No	8,467	2.7%
7,493	2.9%	Property	No	8,113	2.5%
1,863	0.7%	Cash accounts	No	1,582	0.5%
0	0.1%	Alternatives	No	0	0.0%
254,271	100.0%	Total		319,332	100.0%

14.8 The movement in the authority's share of the assets and liabilities within the fund
The Movement in Fund Assets

Local Government Pension Scheme	Teachers Unfunded Discretionary Benefits		Local Government Pension Scheme	Teachers Unfunded Discretionary Benefits
2015/16 £000	2015/16 £000		2016/17 £000	2016/17 £000
259,755	0	As at 1st April	254,271	0
0	0	Settlement costs	0	0
8,599	0	Interest on plan assets	8,894	0
9,954	517	Employers contributions	10,270	481
2,760	0	Contributions by scheme participants	2,836	0
(15,710)	0	Gains / (losses) on remeasurement of assets	56,125	0
0	0	Administration expenses of plan assets	0	0
(11,087)	(517)	Benefits paid	(13,063)	(481)
254,271	0	As at 31st March	319,333	0

The Movement in Fund Liability

(422,166)	(5,003)	As at 1st April	(436,585)	(5,911)
(10,813)	0	Current service cost	(11,106)	0
(286)	0	Past service (cost) / gain (including curtailments)	(77)	0
0	0	Settlement gains	0	0
0	0	Curtailment costs	0	0
(13,986)	(147)	Interest on pension liabilities	(15,286)	(199)
(2,760)	0	Contributions by scheme participants	(2,836)	0
3,956	(1,278)	Gains / (losses) on remeasurement of liabs	(78,326)	212
11,087	517	Benefits paid	13,063	481
(1,617)	-	Effect of business combinations & disposals	0	-
(436,585)	(5,911)	As at 31st March	(531,153)	(5,417)

There were £1,039,000 of contributions remaining payable at the year end for the Local Government Pension Scheme (at 31 March 2016 £1,051,000 was payable) and £1,000 was owed to the Authority for the Teachers unfunded discretionary benefits scheme (£15,000 at 31 March 2016).

Of the £531,000,000 of pension liabilities for the Local Government Pension Scheme at 31 March 2017, there are £5,087,000 of unfunded liabilities (£5,240,000 as at 31st March 2016). £354,000 of employer contributions were made in respect of these liabilities during the year.

14.9 Summary of the movement in assets and liabilities

Over the five years ending the 31 March 2017, the fund's actuaries have estimated that the Authority had the following assets and liabilities:

	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Local Government Pension Scheme					
Present value of scheme liabilities	(358,822)	(349,554)	(422,166)	(436,585)	(531,152)
Fair value of scheme assets	219,030	232,758	259,755	254,271	319,333
Surplus / (deficit) in the scheme	(139,792)	(116,796)	(162,411)	(182,314)	(211,819)
Teachers Unfunded Discretionary Benefits					
Present value of scheme liabilities	(5,194)	(5,082)	(5,003)	(5,911)	(5,417)
Fair value of scheme assets	-	-	-	-	-
Surplus / (deficit) in the scheme	(5,194)	(5,082)	(5,003)	(5,911)	(5,417)
Total					
Present value of scheme liabilities	(364,016)	(354,636)	(427,169)	(442,496)	(536,569)
Fair value of scheme assets	219,030	232,758	259,755	254,271	319,333
Surplus / (deficit) in the scheme	(144,986)	(121,878)	(167,414)	(188,225)	(217,236)

Year on year increase in net liability (or deficit)						(29,011)
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The increase in combined net liability of £29.0 million from 1 April 2016 to 31 March 2017 is mainly due to a remeasurement of pension liabilities (£78m) offset by a remeasurement of assets (£56m) plus net interest cost of £6.5m. The predominant driver for the change in pension liability is the changes in financial assumptions. The main one being the discount rate used to calculate the present value of future liabilities has fallen from 3.5% to 2.6%.

15 NOTES TO THE CASH FLOW STATEMENT

15.1 Reconciliation of Comprehensive Income & Expenditure Account to Net Cash Flows from Operating Activities

2015/16 (Restated) £000		2016/17 £000
6,432	Net (surplus) or deficit on the provision of services	2,424
	Non-cash transactions:	
(8,911)	Depreciation of non-current assets	(11,864)
391	Impairment and downward valuations	(141)
(111)	Amortisation of intangible non-current assets	(153)
215	Increase/decrease in impairment for provision for bad debts	234
(11)	Increase/(decrease) in inventories	(64)
6,109	Increase/(decrease) in debtors	9,629
(2,785)	(Increase)/decrease in creditors	(1,255)
1,075	(Increase)/decrease in provisions	(1,695)
(6,162)	Pension liability	(7,023)
(1,793)	Carrying amount of non-current assets, assets held for sale and investment properties which are sold or derecognised	(17,367)
(1,515)	Movement in the value of investment properties	133
	Items classified in another classification in the cash flow statement	
(2,132)	Other payments for investing activities	(781)
399	Other receipts from investing activities	13,431
1,808	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	16,677
(6,990)	Net cash flows from Operating Activities	2,186

15.2 Returns on Investments and Servicing of Finance

Returns on Investments received and Servicing of Finance paid during the year are made up of the following elements:

2015/16 £000		2016/17 £000
	Returns on Investments received:	
(91)	Interest received	(72)
(14)	Other interest and investment income	(19)
	Servicing of Finance paid:	
3,237	Interest paid	3,029
23	Interest element of finance lease rental payments	22
3,155		2,960

15.3 (Increase)/decrease in Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

	At 31st March 2016	In Year Movement	At 31st March 2017
	£000	£000	£000
Current Assets			
Cash held by the Authority	212	9	221
Bank current accounts	1	1,819	1,820
Short-term call account deposits	7,408	(2,951)	4,457
Current Liabilities			
Bank current account overdrafts	(1,025)	995	(30)
Total	6,596	(128)	6,468

16 OTHER NOTES TO THE ACCOUNTS

16.1 Members Allowances

Information on members' allowances is available on request from the Payroll Manager, Payroll Section, Monmouthshire County Council, @Innovation House, Wales 1, Magor, NP26 3DG.

The Authority paid the following amounts to elected and co-opted members of the council during the year:

2015/16 £000		2016/17 £000
575	Basic allowance	578
197	Special responsibility allowance	182
31	Travel allowance	36
3	Subsistence allowance	4
806	Total	800

16.2 Audit Costs

The Authority has incurred the following costs during 2016/17 in relation to the audit of the Statement of Accounts, certification of grant claims, statutory inspections and to non-audit services provided by the Authority's external auditors:

2015/16 £000		2016/17 £000
176	Fees payable to the appointed auditor with regard to external audit services - financial audit	176
103	Fees payable to the appointed auditor with regard to external audit services - Local Government Measure	103
48	Fees payable to the appointed auditor for certification of grant claims & returns	50
327	Total	329

16.3 S31 and S33 Pooled Budget Arrangements

Section 31 of the Health Act 1999 and Section 33 of the NHS (Wales) Act 2006 enables the establishment of joint working arrangements between NHS bodies and local authorities. Pooled funds enable bodies to work collaboratively to address specific local health issues. A key feature of the pool is that the use of resources contributed to the pool should be dictated by the need of clients who meet the criteria established for the pool, rather than the respective contributions by the partners. Thus, it is to be expected that health service resources could be used to deliver local authority services and vice versa.

Pooled funds are not legal entities. The partners in the pool will nominate one partner to be the host to the pool. That host has responsibility for the administration of the pool.

a) Mardy Park Rehabilitation Scheme

The Authority has entered into a pooled budget arrangement with the Aneurin Bevan Local Health Board for the provision of a Rehabilitation Scheme at Mardy Park. Under the arrangement funds are pooled under Section 33 of the NHS (Wales) Act 2006. This agreement came into effect from the 1st April 2004 and the Authority is the host for the partnership.

The Purpose of the scheme is to reduce the time spent in hospital for rehabilitation patients who have no need for in-patient care. This is undertaken through the assessment of individuals needs and on how community based schemes can adapt to manage the risk of non-residential care effectively.

If at the end of any financial year or upon termination of the Agreement there is an overspend the Partners shall identify the reasons for the overspend. The Partners may agree that resources in the next financial year shall be applied in meeting the overspend. If this is not agreed the over spend shall be apportioned between the Partners in a just and equitable manner taking into account of the circumstances of and reasons for the overspend and the Partners shall make such payments to the Pooled Fund as shall be required to reflect this allocation.

The income and expenditure for the pooled fund arrangements for the financial year ended 31st March 2017 was:

2015/16 £000		2016/17 £000
	Funding	
(216)	Monmouthshire County Council	(209)
(163)	Monmouthshire Local Health Board	(157)
(379)	Total Funding	(366)
	Expenditure	
310	Employee related	235
27	Premises related	46
10	Supplies & Services	21
10	Agency & Contracted	46
15	Central and Support services recharges	15
20	Capital Financing	15
392	Total Expenditure	378
13	Net (Under)/over spend	12

b) Gwent Integrated Community Equipment Store (GWICES)

The Authority has entered into a pooled budget arrangement with the Aneurin Bevan Local Health Board and four other local authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Newport and Torfaen. Under the arrangement funds are pooled under Section 33 of the NHS (Wales) Act 2006. This agreement came into effect on 1st October 2008.

The Purpose of the scheme is to provide an efficient and effective integrated equipment store to service users who are resident in the partnering localities.

Torfaen County Borough Council is the host for the Partnership, who recorded gross expenditure of £3,216,000 (£2,681,000 for 2015/16) and gross income of £3,216,000 (£2,681,000 for 2015/16) for the financial year ended 31st March 2017. Monmouthshire County Council's contribution for the year was £286,000 (£350,000 for 2015/16).

c) Monmouth Health & Social Care Facility (Monnow Vale)

The Authority has entered into a pooled budget arrangement with the Aneurin Bevan Local Health Board. Under the arrangements funds are pooled under Section 33 of the NHS (Wales) Act 2006 to provide health and social care in the form of inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs. This agreement came into effect from the 1st June 2006.

The Facility is a unique project that replaced a number of out dated or separate facilities scattered throughout the County with a new building that has been financed by a private finance partner over a period of 30 years. Further information is contained in note 12.10 to the accounts.

Aneurin Bevan Health Board is the host for the Partnership, who recorded gross expenditure of £3,317,000 (£3,119,000 for 2015/16) and gross income of £3,253,000 (£3,119,000 for 2015/16) for the financial year ended 31st March 2017. Monmouthshire County Council's total contribution for the year was £989,000 (£997,000 for 2015/16).

d) Gwent Frailty Programme

A Section 33 Partnership Agreement exists between five Local Authorities in the former Gwent area and Aneurin Bevan Local Health Board for the provision of Frailty services to service users who are resident within each of the Partner Localities. This service became operational from the 4th April 2011 and the agreement came into effect from this date.

The Gwent Frailty programme has created a Community based integrated model of care through the establishment of Community Resource Teams (CRT's) delivering a range of services to avoid hospital admissions, facilitate early discharge and help individuals remain 'happily independent'. The CRT's provide integrated Urgent Response, Reablement, Falls Services within each Locality in line with agreed Locality Commissioning Plans (LCPs).

The programme has attracted Welsh government Invest to Save funding totalling £7.3m which is being used to pump prime the establishment of CRTs and to fund the IT infrastructure. Partners have also committed recurring budgets to the programme totalling £8.9m per annum and have agreed savings targets to ensure on-going financial stability.

Caerphilly County Borough Council is the host for the Partnership, who recorded gross expenditure of £14,982,000 (£14,479,000 for 2015/16) and gross income of £15,439,000 (£14,269,000 for 2015/16) for the financial year ended 31st March 2017. Monmouthshire County Council's total contribution for the year was £1,291,000 (£949,000 for 2015/16).

16.4 Related Party Transactions

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allow readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central & Welsh Government

Central & Welsh Government has effective control over the general operations of the Authority - it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of core and specific grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. housing benefits). Details of grant income received from Central & Welsh Government and other government departments are set out in notes 11.6 and 11.7 to the Accounts.

Members

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2016/17 is shown in note 16.1 to the accounts. Where work or services have been commissioned, or where grants were made during the financial year in which members had an interest, members have a duty to declare such an interest. The Authority must ensure that contracts entered into were in full compliance with the Authority's standing orders and that grants were made with proper consideration of declarations of such interests.

During the financial year, members who declared an interest did not take part in any discussion or decision relating to grants made or works or services commissioned. Details of all interests declared are recorded in minutes or relevant meetings and recorded in the Register of Members' Interest, open to public inspection at its offices at @Innovation House, Wales 1, Magor, NP26 3DG.

Companies and Joint Ventures

The Authority has interests in companies and joint ventures and relevant transactions are disclosed in note 16.6 to the Accounts about such interests.

Senior Officers

Section 117 of the Local Government Act 1972 requires officers to declare any pecuniary interests that they may have regarding any transactions being entered into by the Authority in which they have a direct or indirect involvement.

The Head of Finance (S151 officer), Monitoring Officer for the Authority, Chief Officer for Children & Young People, Head of Democracy & Regulatory Services, and Head of Policy & Engagement have no pecuniary interests.

The Chief Executive was the Acting Returning Officer and Electoral Registration Officer for Monmouthshire during 2016/17 and held the following position during the year:

- Non Executive Director of Innovationpoint (a wholly owned Welsh Government Subsidiary)
- Clerk to the Lord Lieutenancy of Gwent

The Chief Officer for Enterprise and Deputy Chief Executive held the following position during the year:

- Co-Chair of the Innovation Advisory Council for Wales
- Director to SRS Business Solutions Ltd.

The Chief Officer for Social Care & Health held the following position during the year:

- Is an independent Member of Aneurin Bevan Unitary Health Board

The Chief Officer for Resources held the following position during the year:

- Director to SRS Public

The Head of Operations held the following position during the year:

- Board Member to Capita Gwent Consultancy (dormant company)
- Non-Executive Director to Dragon Waste Limited

The following balances were held with these related parties at the year-end:

2015/16 Debtors £000	2015/16 Creditors £000		2016/17 Debtors £000	2016/17 Creditors £000
0	187	Dragon Waste Limited	0	194
0	0	SRS Business Solutions Limited	0	0

During the year the following payments & receipts with these related parties arose as follows:

2015/16 Payments £000	2015/16 Receipts £000		2016/17 Payments £000	2016/17 Receipts £000
2,405	35	Dragon Waste Limited	1,383	36
1	0	SRS Business Solutions Limited	1	0

16.5 Trust Funds

The Council acts as sole or custodian trustee for a number of trust funds. The funds do not represent assets of the Council and they have not been included in the Consolidated Balance Sheet. The below balances are based upon unaudited figures for the year ended 31st March 2017:

	Income £000	Expend £000	Assets £000	Liabilities £000
Welsh Church Act Fund	(441)	187	5,638	(167)
The primary objective of the Charity is to assist groups and individuals for educational, social, recreational and other charitable purposes. The Trust owns tangible fixed assets comprising eight parcels of land. Five of these are agricultural, two are grazing and one is forestry.				
Llanelly Hill Social Welfare Centre	(8)	8	93	(26)
The primary objective of the fund is the provision of a Social welfare centre to the residents of Llanelly hill. The Trust's fixed assets comprise the social welfare centre premises and land upon which it is situated.				
Chairman's Charity	(6)	12	2	(8)
The Chairman's Charity supports and raises funds for the Chairman's nominated Charity of the year.				
Funds for which Monmouthshire County Council acts as custodian trustee:				
Monmouthshire Farm School Endowment	(50)	30	731	(6)
Appointeeship - Personal Monies	(762)	797	502	(537)
Appointeeship - Independent Living Fund Monies	(126)	133	25	(32)

16.6 Related Businesses and Operations

Councils must consider whether they need to produce group accounts for interests held in other bodies/organisations where they meet the definition of subsidiaries, associates and joint ventures. The Council has reviewed all their relationships in this regard, and although the Council has interests in the following companies and operations, it is deemed that the interests in aggregate are not sufficiently material to warrant producing consolidated financial statements when reviewing both quantitative and qualitative information.

Dragon Waste Limited

The Company was formed to carry out the Council's waste disposal function. The Council holds a 19% share holding in the company. The Company's latest available trading results are the accounts for the year ending 31st March 2017.

31st March 2016		31st March 2017
£000 Final		£000 Draft
(1,483)	Net Assets/(Liabilities)	(1,203)
(146)	Profit/(Loss) before Taxation	(87)
(121)	Profit/(Loss) after Taxation	(87)
0	Dividends	0

No assets or liabilities of the Company are reflected in the Consolidated Balance Sheet. The remaining 81% of the Company is owned by Viridor Waste Exeter Limited, which is a wholly owned subsidiary of Viridor Waste Limited. The ultimate parent company

Payments of £1,378,740 were made to Dragon Waste Limited during 2016/17 (£1,508,515 during 2015/16).

The Authority owed £194,383 to Dragon Waste Limited at the 31st March 2017 (£231,811 owed to Dragon Waste as at 31st March 2016) in respect of Waste Management contract income.

Further information can be found in Dragon Waste Limited Financial Statements for the year ended 31 March 2016 which are available from the Company Secretary, Pennon Group Plc, Peninsula House, Rydon Lane, Exeter, Devon, England, EX2 7HR.

SRS Public

The Authority entered into a public sector collaborative arrangement, known as the Shared Resource Service, with Torfaen County Borough Council (TCBC) and Gwent Police Authority in May 2011, 2 additional Councils have joined the partnership subsequently. The arrangement has resulted in a Shared Resources Centre (SRC) being set up for the purpose of providing IT services to each member authority. A memorandum of understanding is in place to provide robust governance arrangements. The arrangement is not a separate legal entity and ownership of the SRS premises resides with TCBC. The arrangement is funded by core contributions from partners, income from desk licences and rack rentals from schools and external income. Monmouthshire's core contribution during 2016/17 included in the Council's Accounts totalled £2.18 million.

SRS activities for 2016/17 involved a combined gross expenditure budget of £10.5 million, and the entity held reserves totalling £750,000 at year end, £61,000 of which is earmarked as generated through MCC activities and requires Council endorsement in its future use.

The Authority owed £44,526 to SRS Public at the 31st March 2017 (£0 owed as at 31st March 2016).

SRS Business Solutions Limited

SRS Business Solutions Limited, a company limited by shares, was incorporated on 11th June 2011. The company was set up with £40,000 share capital from the Authority and TCBC, in order to facilitate trading in ICT related services with the private and third sector.

SRS (BS) fits the accounting definition of a Joint Venture. The accounting position of the company is not material to the fair presentation of the financial position and transactions of the Council, or to the understanding of the Statement of Accounts. The accounting treatment therefore falls outside the requirement to prepare Group Accounts; this treatment being consistent with that adopted by TCBC.

The Company's latest available trading results are the draft estimates for the year ending 31st March 2017.

31st March 2016		31st March 2017
£000 (Restated)		£000 Draft
90	Net Assets/(Liabilities)	104
30	Profit/(Loss) before Taxation	20
30	Profit/(Loss) after Taxation	16
0	Dividends	0

There were no transactions between Monmouthshire County Council and SRS (BS) during 2016/17 (nil in 2015/16).

Further information can be found in SRS Business Solutions Limited financial statements for the year ended 31 March 2017 which are available from the Head of Finance, Monmouthshire County Council, County Hall, Rhadyr, Usk, NP15 1GA.

Community Interest Company (CMC²)

In July 2011 the Authority established CMC², a community interest company wholly owned by the Authority. The company aimed to drive growth in emerging green and digital technologies and generate new income streams with which to reinvest in community projects and priorities. CMC² was a company limited by guarantee and liability was therefore limited to £1 for its members.

The Authority did not receive any profit distribution. No assets or liabilities of the Company were reflected in the Consolidated Balance Sheet. The Authority acted as a guarantor for the company's overdraft arrangements such as to allow the company to manage day-to-day cash flow requirements.

At Cabinet meeting of 7th December 2016, the Executive approved the dissolution of CMC² and the transfer of any outstanding liabilities/responsibilities to the Council, at the same time as passporting the part ownership of Y Prentis from CMC² to the Council. The dissolution of CMC² has resulted in no net revenue effect in 2016/17, but has involved transfer of circa £90k cost and the novation of a debtor for a similar amount.

Y Prentis

A business set up by Monmouthshire County Council and Melin Homes with a 50/50 share to actively promote the provision of technical and vocational secondary education.

The Company's latest available trading results are the financial statements for the period ending 30th September 2016.

The company is exempt from audit under section 477 of the companies act 2006 for the financial year ending September 2016.

30th Sept 2015 £000 Final		30th Sept 2016 £000 Draft
201	Total Assets/(Liabilities)	262
175	Profit/(Loss) before Taxation	75
140	Profit/(Loss) after Taxation	60
0	Dividends	0

There were no transactions between Monmouthshire County Council and Y Prentis during 2016/17 (nil in 2015/16).

Education Achievement Service (EAS)

The five local Councils of Monmouthshire, Caerphilly, Blaenau Gwent, Torfaen and Newport have formed an Education Achievement Service (EAS). The integrated service has been designed to raise education standards in South East Wales.

The EAS became operational in September 2012. It is a joint company, limited by guarantee and wholly owned and completely controlled by the five local Councils, but operating at arm's length. It is not a profit making company, and it is a separate legal entity. There is no lead Council with each being represented equally with a 20% interest and having equal voting rights. The company has a Board consisting of the Lead Director and elected member representatives from the partner Councils. The collaboration Agreement commits the Council to participating in the EAS company for a minimum period of four years.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2017.

31st March 2016 £000 Final		31st March 2017 £000 Draft
231	Total Assets/(Liabilities)	308
102	Profit/(Loss) before Taxation	105
102	Profit/(Loss) after Taxation	105
0	Dividends	0

Payments of £589,189 were made to the EAS during 2016/17 (£768,541 during 2015/16).

There were no balances owing to/from the EAS at 31st March 2017 (nil at 31st March 2016).

Gwent Archives

The five local Councils of Monmouthshire, Caerphilly, Blaenau Gwent, Torfaen and Newport are included in the Gwent Archives Service. The integrated service collects, preserves, and makes accessible to the public, documents relating to the area it serves.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2017.

31st March 2016 £000 Final		31st March 2017 £000 Draft
244	Total Assets/(Liabilities)	293
57	Profit/(Loss) before Taxation	49
57	Profit/(Loss) after Taxation	49
0	Dividends	0

Payments of £182,244 were made to Gwent Archives during 2016/17 (£182,244 during 2015/16).

There were no balances owing to/from Gwent Archives at 31st March 2017 (nil at 31st March 2016).

Gwent Crematorium

The five local Councils of Monmouthshire, Caerphilly, Blaenau Gwent, Torfaen and Newport are included in the Gwent Crematorium Service. The integrated service provides crematorium services to the public relating to the area it serves.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2017.

31st March 2016		31st March 2017
£000 Final		£000 Draft
2,573	Total Assets/(Liabilities)	3,205
129	Profit/(Loss) before Taxation	632
129	Profit/(Loss) after Taxation	632
0	Dividends	0

Payments of £138,375 were received from Gwent Crematorium during 2016/17 (£138,375 during 2015/16).

There were no balances owing to/from Gwent Crematorium at 31st March 2017 (nil at 31st March 2016).

Project Gwyrdd

The five local Councils of Monmouthshire, Caerphilly, Newport, Cardiff and the Vale of Glamorgan are included within the Project Gwyrdd. The integrated service collects, processes, and disposes of household waste that is suitable for recycling.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2017.

31st March 2016		31st March 2017
£000 Final		£000 Draft
305	Total Assets/(Liabilities)	328
115	Profit/(Loss) before Taxation	24
115	Profit/(Loss) after Taxation	24
0	Dividends	0

Payments of £32,000 were made to Project Gwyrdd during 2016/17 (£48,800 during 2015/16).

There were no balances owing to/from Project Gwyrdd at 31st March 2017 (nil at 31st March 2016).

City Deal

On 1st March 2017 the £1.2 billion Cardiff City Region City Deal between the UK Government, the Welsh Government and the 10 constituent councils in South East Wales, which includes Monmouthshire, was formally ratified. The investment is over a 20 year period and the key aim of the fund is to create 25,000 new jobs by 2036 and lever £4 billion of private sector investment.

The CCRD Investment Fund comprises two distinct elements:-

- £734 million – METRO scheme. This will comprise £503 million of Welsh Government funding provided over the first seven years from 2016/17 to 2022/23; £106 million from the European Development Fund, (which is committed and guaranteed following Brexit by both UK and Welsh Government); and £125 million from UK Government. This element will be the sole responsibility of Welsh Government.

- £495 million – Regional Cabinet Fund, comprising the ten constituent councils' commitment to borrow £120 million over the 20 year period of the Investment Fund, together with £375 million from the UK Government. This fund will be used for investment in infrastructure, housing, skills and training, innovation, business growth and "Metro plus" transport proposals. This element will be the responsibility of the CCRD Regional Cabinet. The Council will make a 6.1% contribution to the £120 million based on its proportion of the regional population.

16.7 Interests in Joint Operations

The Code requires authorities to enhance their statement of accounts with information about any material interest in subsidiaries, associates and joint ventures in a set of group accounts.

In the 2015/16 financial statements these accounting requirements resulted in the consolidation of the transactions and balances of subsidiaries and of interests in associates and joint ventures. In a change in treatment from 2015/16, for 2016/17 it is deemed that the interests in aggregate are not sufficiently material to warrant producing consolidated financial statements when reviewing both quantitative and qualitative information. For this reason, group accounts for 2016/17 are not deemed necessary within these statements. In order to ensure compliance with the Code, a range of narrative disclosures have been made in other sections of the accounts (See note 16.6 for further information). The prior year information has been restated where necessary to ensure consistently in approach.

16.8 Senior Officer Remuneration

The remuneration paid to the Authority's senior employees, where annualised salary is equal to or more than £60,000 per year, is as follows:

Year ended 31st March 2017						
Post Holder	Salary including fees and allowances £	Compensation for loss of employment £	Expense Allowances £	Total Remuneration excluding Pension contributions £	Pension Contributions (Based on Common Rate from Actuary) £	Total Remuneration including Pension contributions £
Chief Executive Officer	111,100	0	0	111,100	23,442	134,542
Chief Officer - Children and Young People (Apr-Jan)	66,819	35,000	0	101,819	14,265	116,084
Interim Chief Officer - Children and Young People (Feb-March), also Head of Strategic Partnerships	72,989	0	0	72,989	15,401	88,390
Chief Officer - Enterprise	85,369	0	0	85,369	18,013	103,382
Chief Officer - Social Care and Health	81,592	0	0	81,592	17,216	98,808
Chief Officer - Resources (June-March), also Head of Commercial and People Development (Apr-May)	76,399	0	0	76,399	15,154	91,553
Head of Operations	61,745	0	0	61,745	13,028	74,774
Head of Finance and Section 151 Officer	71,393	0	0	71,393	15,064	86,457
Head of Democracy and Regulatory Services (Apr-May), becoming Head of People	67,521	0	0	67,521	14,247	81,768
Monitoring Officer, also Head of Legal Services	70,359	0	0	70,359	14,846	85,205
Total	765,287	35,000	0	800,287	160,676	960,963

Year ended 31st March 2016						
Post Holder	Salary including fees and allowances £	Compensation for loss of employment £	Expense Allowances £	Total Remuneration excluding Pension contributions £	Pension Contributions (Based on Common Rate from Actuary) £	Total Remuneration including Pension contributions £
Chief Executive Officer	110,000	0	0	110,000	23,210	133,210
Chief Officer - Children and Young People	80,784	0	0	80,784	17,129	97,913
Chief Officer - Enterprise	81,180	0	0	81,180	17,129	98,309
Chief Officer - Social Care and Health (Apr-Aug)	28,448	0	0	28,448	6,003	34,451
Chief Officer - Social Care and Health (Nov-March)	33,436	0	0	33,436	7,055	40,491
Head of Operations	69,104	0	0	69,104	14,654	83,758

Head of Finance and Section 151 Officer	71,033	0	0	71,033	14,988	86,020
Head of Democracy and Regulatory Services	64,515	0	0	64,515	13,679	78,194
Head of Legal Services (also acting Monitoring Officer)	70,351	0	0	70,351	14,844	85,195
Head of Strategic Partnerships	60,027	0	0	60,027	12,728	72,755
Total	668,877	0	0	668,877	141,419	810,296

Senior Officers are defined for the purposes of this disclosure as the Chief Executive, together with those senior officers that the Chief Executive is either directly responsible for or senior officers who are directly accountable to the Chief Executive. If they meet this definition any time during the year, their annual salary has been reported.

Senior staff can act in an ancillary capacity as Returning Officers overseeing the administration of periodic referenda and elections. Commonly the fee for such work is nationally set. For the avoidance any doubt, any such costs are not included in this analysis.

Employers' pension contributions were paid at a rate of 21.1% of pensionable pay for staff within the Local Government Pension Scheme (21.1% for 2015/16). Expense allowances are defined as those additional costs that are chargeable to income tax and no such costs are reported in respect of 2016/17 (Nil in 2015/16).

A new requirement was introduced in 2014/15 to report the Chief Executive's remuneration as a proportion of the full time equivalent median salary of Monmouthshire County Council employees. In 2016/17, the median employee position has been calculated as £21,057, equating to spinal point 23 and resulting in a median ratio when compared with the Chief Executive Officer salary of 5.28:1

In 2015/16, the median employee position was calculated as £20,253, equating to spinal point 22 and resulting in a median ratio when compared with the Chief Executive Officer salary of 5.43:1

16.9 Officers' Emoluments

The number of employees whose remuneration was £60,000 or more in bands of £5,000, during the year ended 31st March 2017, was:

2015/16		Remuneration Band	2016/17	
Number of employees	(Of which are teaching staff)		Number of employees	(Of which are teaching staff)
0	0	£115,000 - £119,999	0	0
1	0	£110,000 - £114,999	1	0
1	1	£105,000 - £109,999	2	1
1	1	£100,000 - £104,999	2	1
2	1	£95,000 - £99,999	0	0
0	0	£90,000 - £94,999	0	0
1	1	£85,000 - £89,999	2	1
4	2	£80,000 - £84,999	4	2
2	1	£75,000 - £79,999	1	1
6	2	£70,000 - £74,999	9	3
6	5	£65,000 - £69,999	10	6
15	7	£60,000 - £64,999	8	5
39	21	Total	39	20

Remuneration is defined as gross salary and expenses and the effect of any severance costs e.g. redundancy, termination and compromise agreements. Remuneration also excludes pension contributions.

Bandings above include the effect of senior officers shown in note 16.8

Employers' pension contributions were paid at a rate of 21.1% of pensionable pay for staff within the Local Government Pension Scheme (21.1% for 2015/16) and 16.4% of pensionable pay for staff within the Teachers' Pension Scheme (16.4% in 2015/16).

For the purposes of reporting remuneration, voluntary aided schools employees have been included in the remuneration notes 16.9 to 16.10, where appropriate, as if they were employees of the council even though their contract of employment is with their respective governing body.

16.10 Termination Benefits

The Code does not set out a precise definition of exit packages and authorities need to consider the relevant departure costs that have been recognised in the financial statements in accordance with the Code's requirements on termination benefits.

Termination benefits are defined as amounts payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Code sets out that the form of the employee benefit does not determine whether it is provided in exchange for service or in exchange for termination of the employee's employment.

Total Cost of Exit packages reflects redundancy payments, settlement agreements to terminate employment, and any strain costs associated with the agreed enhancement of post-employment pension benefits.

2015/16			Exit package Cost band	2016/17		
No. of Compulsory Redundancies agreed	No. of other departure costs agreed	Total Cost of Exit Packages in each payband £000's		No. of Compulsory Redundancies agreed	No. of other departure costs agreed	Total Cost of Exit Packages in each payband £000's
62	1	463	£0 - £20,000	38	3	331
29	1	785	£20,001 - £40,000	11	3	391
6	1	274	£40,001 - £60,000	1	0	43
1	0	67	£60,001 - £80,000	0	1	65
0	0	0	£80,001 - £100,000	0	0	0
1	0	102	£100,001 - £150,000	1	0	119
99	3	1,691	Total	51	7	949

16.11 Events after the Balance Sheet date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. There are two types:

- Those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period - the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect. No such unadjusting events have been identified subsequent to the balance sheet date.

17 STATEMENT OF ACCOUNTING POLICIES

17.1 General Principles

The Statement of Accounts summarises the Authority's transactions for the 2016/17 financial year and its position at the year-end of 31st March 2017.

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014, which those Regulations require to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and the Service Reporting Code of Practice 2016/17, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

17.2 Accounting Standards issued not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of accounting changes that will be required by a new standard that has been issued but not yet adopted. None of the new or amended standards in the 2017/18 Code are expected to have a material impact on the information provided in the financial statements. However CIPFA has determined that there will be a change in the presentation of the narrative report so that the content adheres to specific key principles.

17.3 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet where such balances are considered material.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

17.4 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 24 hours or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

17.5 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Council Fund Balance with a Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

17.6 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government and the impact of the decision for Britain to leave the European Union remains unclear. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired.
- The Council is deemed to control the services provided under its PFI arrangements and also to control the residual value of the assets at the end of the contract. The accounting policy for PFIs and similar contracts has been applied to these arrangements and the assets are recognised as Property, Plant and Equipment in the Council's Balance Sheet.
- A provision is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is calculated by taking a sample of non-school employee records and extrapolating the data over the total non-school employee base. The sample return for 2016/17 was 16% (25% for 2015/16).

17.7 Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31st March 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Revaluation of Property, plant & equipment	Property, plant and equipment (with the exception of infrastructure, community assets, assets under construction and vehicles, plant and equipment) are revalued on a periodic basis and tested annually for indicators of impairment. Judgements are required to make an assessment as to whether there is an indication of impairment. The impairment tests include examination of capital expenditure incurred in the financial year to ascertain whether it has resulted in an increase in value or an impairment of an asset.	If the actual results differ from the assumptions the value of PPE will be over or understated. This would be adjusted when the assets were next revalued.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The assumptions interact in complex ways. Further information is provided in note 14 concerning the risks and sensitivity of changes in the pension assets and liabilities.
Provisions	The Council has included provisions for known insurance claims as at 31 March 2017. The value of these claims is based on information provided by our Insurance brokers on the number of claims outstanding at the end of the financial year, the average settlement amount for each type of claim and the likelihood of each type of claim being settled. However the outcome of these cases is still uncertain as outstanding legal cases and negotiations remain on going.	The Authority maintains the insurance and risk management reserve to assist in the control of the Authority's insurance risks. The provisions in place and the balance on the insurance and risk management reserve at 31st March 2017 are deemed to provide sufficient cover for the Authority's claims exposure. Notes 13.7(a) & 13.7(b) provide further information on the types of claims the Authority is exposed to.

Arrears	At 31 March 2017, the Authority had a balance of £6.2m (£8.4m as at 31 March 2016) of debtors relating to council tax arrears, business rate arrears, rent arrears, corporate sundry debtors, social services sundry debtors and housing benefit overpayments. A review of these balances suggested that an impairment of doubtful debts of £2.9m (£3.1m as at 31 March 2016) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, there would be a consequential increase in the impairment of doubtful debts.
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17.8 Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. A provision is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The provision is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The provision is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pensions Scheme, administered by Torfaen County Borough Council

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Authority and related to final salary and length of service.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified to the Authority. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme which is administered by Torfaen County Borough Council. The pension costs charged to the Authority's accounts in respect of this group of employees is determined by the fund administrators and represents a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme:

- The Liabilities of the pension fund attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projections of earning for current employees.
- Liabilities are discounted to their value at current prices, using a single discount rate which is derived from the spot rates on a selection of AA rated corporate bonds of various durations which match the liabilities within the Authority's pension fund. This is known as the yield curve approach.
- The assets of the Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the balance sheet at their fair value as determined by the Fund's actuary.
- The change in the net pensions liability is analysed into seven components:
 - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
 - Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
 - Interest on plan assets – this is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.
 - Gains or losses on settlements and curtailments – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
 - Gains or losses on remeasurement – changes in the net pensions liability (Liabilities less assets) that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve.
 - Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Further details are given in section 14 of the notes to the Financial Statements.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

17.9 Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

17.10 Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

17.11 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

However, one stepped loan held by the Authority is carried at a higher amortised cost than the outstanding principal, and interest is charged at a marginally lower effective rate of interest than the interest payable under the terms of the loan contract.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the Council Fund Balance to be spread over future years. The Authority has a policy of spreading any loss over the term that was remaining on the loan against which the premium was payable and any gain over lesser of the term remaining on the loan against which the discount was receivable or 10 years. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets – Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

The Authority has made one loan at less than market rates (soft loans) for policy reasons. Due to the immaterial nature of the loan, it is recorded in the balance sheet at the value of the principal outstanding.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Where the impact is deemed to be material, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

17.12 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

17.13 Heritage Assets

Heritage assets are assets that are held by the authority principally for their contribution to knowledge or culture.

Heritage assets were previously shown in community assets but are now recorded in a separate category on the balance sheet as a non-current asset class. The Authority does not classify any operational assets as heritage assets.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets and as a result the Authority has chosen not to value heritage assets if the cost is deemed to be excessive.

A further condition for expenditure to be capitalised is that it exceeds the relevant de minimus limit in place. A de-minimus limit has been put in place of £10,000 for heritage assets.

The Authority considers that the heritage assets held by the Authority will have indeterminate lives and a high residual value, hence the Authority does not consider it appropriate to charge depreciation for the assets.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment. The trustees of the Authority's Museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

17.14 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority for more than one financial year.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for any sale proceeds greater than £10,000, the Capital Receipts Reserve.

17.15 Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the latest price paid, with an allowance made for obsolescent and slow moving items. This is a departure from the requirements of the Code which require inventories to be shown at the lower of actual cost and net realisable value. However, the amounts concerned are not considered material.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

17.16 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Council Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and losses are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

17.17 Fair value measurement

The Council measures its assets held for sale, surplus assets, investment properties and available-for-sale financial instrument at fair value at each reporting date. Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Measurement will be at highest and best use from the perspective of a market participant. The fair value of an investment property held under a lease is the lease interest.

It is assumed that any fair value measurement of an asset or liability uses the same assumptions that market participants acting in their economic best interest would use and that the transaction takes place in the principal market or failing that in the most advantageous market for the asset or liability.

Appropriate valuation techniques are used for which sufficient data is available. Inputs to the techniques are categorised within the fair value hierarchy that consists of three levels as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are accessible by the Council at the measurement date
- Level 2 inputs are quoted prices other than quoted prices within Level 1 that are observable either directly or indirectly
- Level 3 inputs are unobservable inputs for an asset or liability.

The use of relevant observable inputs is maximised and the use of unobservable inputs is minimised.

Any transfers between valuation levels will take place at the valuation date at the end of the reporting period.

17.18 Joint Operations

The Council has a number of interests in other entities which fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code. However the Council's interests in aggregate are not sufficiently material to warrant producing consolidated financial statements when reviewing both quantitative and qualitative information. For this reason, group accounts are not deemed necessary within these statements. In order to ensure compliance with the Code, a range of narrative disclosures have been made in other sections of the accounts (See note 16.6 for further information).

17.19 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee - Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).
- A revenue provision (MRP) equal to the principal repayments made, taken to the Capital Adjustment Account via the Movement in Reserves Statement.

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the Council Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The Authority as Lessee - Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Authority as Lessor - Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Again, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the Council Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the Council Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the Council Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

The Authority as Lessor - Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Where material, initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

17.20 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2016/17 (SeRCOP).

The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multifunctional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

17.21 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

It is not a requirement for expenditure outside of the capital programme to be capitalised if it does not exceed the de minimus limit of £10,000 for all asset categories.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- All other operational assets – Current value based on existing use value (EUV) for operational assets where there is an active market, or if there is no market-based evidence of current value because of the specialist nature of the asset and/or the asset is rarely sold (i.e. EUV cannot be determined), depreciated replacement cost (DRC) using the ‘instant build’ approach.
- Non-operational assets – Fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Adopted roads built by developers are in many respects seen as donated assets. Whilst donated assets are required to be measured at fair value at recognition, infrastructure assets are measured initially at historical cost and subsequently at depreciated historical cost rather than fair value. The authority have taken the view that the historical cost of such adopted roads is zero.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value. Vehicles, plant and equipment are categories of asset treated in this manner.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life including freehold land and Community Assets) and assets that are not yet available for use (assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant, furniture and equipment – straight-line allocation over the life of the asset as advised by a suitable qualified officer
- Infrastructure – straight-line allocation over 60 years

No depreciation is charged in the year of acquisition with a full year charge applied in the disposal year.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Components

An asset may consist of several different and significant physical components. If an item of property, plant and equipment comprises two or more significant components with substantially different useful lives, then each component is treated separately for depreciation purposes and depreciated over its individual useful life.

When a component is replaced or restored, the old component is written off to avoid double counting and the new component capitalised. Where a component does not have its own carrying amount because it has not previously been accounted for separately the cost of the new component is used as an indication of the cost of the replaced part. A component is derecognised where no future economic benefits are expected from its use.

The Authority has established thresholds for the separation of significant components. As a result components of an item of property, plant or equipment that make up a significant part of the cost of the item would only need to be separated where the item itself is material individually or when aggregated with like items.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale.

Assets held for Sale Assets are assets where the:

- asset is immediately available for sale
- sale is highly probable
- asset is actively marketed
- sale is expected to be completed within 12 months

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

17.22 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

17.23 Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Authority carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Authority.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- Lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

17.24 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

17.25 Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

17.26 Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

17.27 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Audit of Financial Statements Report Monmouthshire County Council

Audit year: 2016-17

Date issued: September 2017

Document reference: A2017

Purpose of this document

This document is a draft supplied in confidence solely for the purpose of verifying the accuracy and completeness of the information contained in it and to obtain views on the conclusions reached.

Handling prior to publication

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In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

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infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay.

The team who delivered the work comprised of Ann-Marie Harkin, Terry Lewis, Rhodri Davies, Peter Darlington, Martin Hall, Jane Davies, Christine Nash, Ellis Williams and Benjamin Buckley.

Contents

The Auditor General intends to issue an unqualified audit report on your financial statements. There are some issues to report to you prior to their approval.

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Summary report

Introduction

- 1 The purpose of this report is twofold:
 - to set out for consideration the matters arising from the audit of the financial statements of Monmouthshire County Council, for 2016-17, that require reporting to those charged with governance, in time to enable appropriate action; and
 - to formally communicate the completion of our audit and capture the recommendations arising from our audit work for the year.
- 2 The Auditor General's responsibilities were set out in our **Audit Plan** along with your responsibilities as those charged with governance; we do not repeat them in detail again here.
- 3 We are grateful to the Council and its staff for their assistance, good quality working papers and draft accounts provided during the course of our audit.
- 4 The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of Monmouthshire County Council at 31 March 2017 and its income and expenditure for the year then ended.
- 5 We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
- 6 The quantitative levels at which we judge such misstatements to be material for Monmouthshire County Council are £2,868,000. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity.

Status of the audit

- 7 We received the draft financial statements for the year ended 31 March 2017 on 9 June 2017, 21 days prior to the agreed deadline of 30 June 2017, and have now substantially completed our audit work.
- 8 We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with Head of Finance and Assistant Head of Finance.

Proposed audit report

- 9 It is the Auditor General's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#).
- 10 The proposed audit report is set out in [Appendix 2](#).

Significant issues arising from the audit

Uncorrected misstatements

- 11 We set out below the misstatements we identified in the financial statements, which have been discussed with management but remain uncorrected. Explanations for not correcting these misstatements are provided (by management) in the Letter of Representation [Appendix 1](#).

a. Vehicle additions not reflected in Property, Plant and Equipment

When vehicles are purchased they are not recognised in Fixed Assets until a funding decision is made, either via borrowing (retaining ownership) or leasing. Where the decision is made in a different financial year then a cut-off error arises. The impact on the 2016-17 financial statements is that Fixed Assets are understated (Debit) by £199,224 and Accrued Income overstated (Credit) by £199,224.

b. Reversal of impairments credited to CIES instead of the Revaluation Reserve

During revaluation testing of Property, Plant and Equipment (PPE) we identified 8 assets where the reversal of impairment had been incorrectly credited to the Comprehensive Income and Expenditure Statement (CIES) instead of the Revaluation Reserve. These impairment losses had been reversed in a prior period (i.e. credited to the CIES), but this was not recognised on the Logotech asset management system. Therefore, instead of posting the upwards revaluation to the revaluation reserve, it was again credited to the CIES. The impact on the financial statements is that Surplus on revaluation of PPE in the CIES is overstated (Debit) by £735,034 and the Revaluation Reserve is understated (Credit) by £735,034.

c. Vehicles included in Property, Plant and Equipment that have been disposed of

During our review of the Fixed Asset Register (FAR) we noted numerous vehicles with a low or nil Net Book Value (NBV). Further work identified that 45 assets had been disposed of, but not removed from the FAR and they were

therefore were included in PPE. The Gross Book Value (cost/valuation) of these assets is £1,041,703.70, but the NBV is only £35,059 as most have been fully depreciated. The impact on the financial statements is that Cost/valuation of PPE is overstated (Credit) by £1,041,704, Accumulated Depreciation of PPE is overstated (Debit) by £1,006,645 and the Gain on disposal of non-current assets in the CIES is overstated (Debit) by £35,059.

d. Capital additions for Voluntary Controlled Schools incorrectly included in Property, Plant and Equipment

During review of the Fixed Asset Register there was £265,079 of capital additions regarding Voluntary Controlled Schools. As per CIPFA guidance and section E1 of the Code, these schools are to be held off-Balance Sheet. Therefore any capital expenditure should have been treated as Revenue Expenditure Funded from Capital under Statute (REFCUS). The impact on the financial statements for the year ended 31.03.17 is that Cash and Cash Equivalents is understated (Debit) by £265,079 and Short Term Debtors is overstated (Credit) by £265,079.

e. Cash received before year end but not included in Cash and Cash equivalents

A review of the bank reconciliations identified there was £451,999 of unreconciled bank receipts. This represented cash that was received prior to year end, but had not been recognised in the financial statements. The impact on the financial statements is that Cash and Cash Equivalents is understated (Debit) by £451,999 and Short Term Debtors is overstated (Credit) by £451,999.

f. Impact of not discounting the future cash flows on the Morrison's lease agreement

Under the lease agreement for Abergavenny Cattle Market to Morrison's, the Council is due to receive £4m in rental income over the next 25 years (£160,000 per annum). The impact on the financial statements of not discounting the future cash flows is that Long Term Debtors is overstated (Credit) by £1,000,000 and Deferred Capital Receipts Reserve is overstated (Debit) by £1,000,000.

g. Expenditure overstated as prepayment journal not posted at year-end

During interim expenditure testing we identified 6 transactions requiring prepayment adjustments at year end. Further work at final audit, identified that only 3 of these transactions had been adjusted in the financial statements. Further testing was undertaken focusing on types of expenditure that require prepayment adjustments, for example licences, subscriptions (i.e. expenditure likely to span the year-end). Additional errors were identified and therefore we projected these errors across the classes of expenditure where we had identified the errors resulted in an £177,000 overstatement of expenditure. The impact on the financial statements is

that Prepayments is understated (Debit) by £177,000 and Expenditure is overstated (Credit) by £177,000.

h. Re-charges incorrectly classified in the Expenditure and Funding Analysis and the CIES

Re-charges of central overhead costs are not shown on the report to management (report to Cabinet). They are shown in the original place they are debited. There is an adjustment in column II of the EFA to allocate recharges (overheads and support costs) to the various segments in the CIES. Under the Code 2016-17 (section 3.4.2.39) and per CIPFA guidance on the reporting of corporate expenditure in the CIES "Expenditure will be reported where it was originally debited". Therefore, as re-charges are not included on the report to management, these adjustments should not be reflected in the CIES. The impact on the financial statements is:

- Children & young People Net Expenditure is understated by circa £365,000
- Social Care & Health Net Expenditure is understated by circa £533,000
- Enterprise Net Expenditure is understated by circa £347,000
- Chief Executive Unit Net Expenditure is overstated by circa £1,368,000
- Resources Net Expenditure is overstated by circa £281,000
- Corporate Net Expenditure is understated by circa £404,000

However, it must be noted that the impact on the Net Cost of Services is £nil and the above adjustments are purely presentational in the CIES.

The uncorrected misstatements (above) are immaterial individually and in total. The total impact on the CIES is an £858,172 understatement of Net Expenditure.

Corrected misstatements

- 12 There are misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 3](#)

Other significant issues arising from the audit

- 13 In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you. There were some issues arising in these areas this year:
- **We have some concerns about the qualitative aspects of your accounting practices and financial reporting as follows:**
 - a. We identified numerous rounding errors in the draft financial statements and have recommended that these are adjusted for. Management has

decided not to adjust for 2016-17 but has agreed that rounding formulas will be used in the preparation of next year's accounts..

- b. Some disclosures did not comply with the Code of Practice for Local Authority Accounting. For example, additional disclosure was required for the Fair Value of Investment Properties, the 2016/17 Action Plan in the Annual Governance Statement and a Nature of Expenses note was omitted from the draft financial statements. The Council do not use the CIPFA Disclosure checklist to ensure compliance with the Code. Use of this checklist could have identified the disclosure errors detailed above so that they could have been corrected.
- **We did not encounter any significant difficulties during the audit.** We received information in a timely and helpful manner and were not restricted in our work. There are some areas where we have identified that improvements could be made to make our audit more efficient. We have had some discussions with officers about these during the course of the audit and will undertake a 'post project learning' exercise to formalise agreement for future improvement.
 - **There were no significant matters discussed and corresponded upon with management which we need to report to you.**
 - **There are no other matters significant to the oversight of the financial reporting process that we need to report to you.**
 - **We did not identify any material weaknesses in your internal controls.**
 - **There are not any other matters specifically required by auditing standards to be communicated to those charged with governance.**

Independence and objectivity

- 14 As part of the finalisation process, we are required to provide you with representations concerning our independence.
- 15 We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and the Council that we consider to bear on our objectivity and independence.

Appendix 1

Final Letter of Representation

[Insert proposed Letter of Representation]

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

[Insert Date]

Representations regarding the 2016-17 financial statements

This letter is provided in connection with your audit of the financial statements of Monmouthshire County Council for the year ended 31 March 2017 for the purpose of expressing an opinion on their truth and fairness.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

The preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17; in particular the financial statements give a true and fair view in accordance therewith.

- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Monmouthshire County Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

- All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.
- Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.
- All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
- The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these items is set out below:

a. Vehicle additions not reflected in Property, Plant and Equipment

The value of such is anticipated at circa £200k. Traditionally assets are only added to the fixed asset register once the financing decision has been resolved, and where borrowing our outright purchase has proved the result. The Council uses an external agent to evaluate the most economic form of financing, and previously it has been more common to enter into sale and leaseback arrangements which means that vehicles wouldn't be added to the Property, Plant and Equipment balance. The financing decision had not been made at the end of 2016-17 to be explicit. The management response is to seek financing advice at an early juncture to avoid the need for matters to be transferred between financial years.

b. Reversal of impairments credited to CIES instead of the Revaluation Reserve

The correction has no net effect on the reported bottom line position, but would introduce further volatility and reconciliation to particular lines in the Accounts. Management and auditors conclude the amount involved to be at an immaterial level in the Accounts but above trivial in terms of audit reporting.

c. Vehicles included in Property, Plant and Equipment that have been disposed

The net value of the adjustment was only £35,000. Rather than amend, management response focusses on better capture and timely sharing of disposal information from services.

d. Capital additions for Voluntary Controlled Schools incorrectly included in Property, Plant and Equipment

Management accept the error that has resulted. The conveyancing/transfer of title to the Diocese is still outstanding and Accounts colleagues have had to rely on a "substance over form" argument with auditors to exclude such costs from the Council's fixed assets. Unfortunately this entry was missed, but it is hoped the conveyance will get resolved prior to 2017-18 closure process to avoid the continued potential for human error.

e. Cash received before year end but not included in Cash and Cash equivalents

There is no effect on the bottom line of the Statement and the level of current assets overall remains the same. This issue generally

results where year-end coincides with bank holiday or weekend period. Management response is to consider whether an added process be undertaken as part of the year end practice to retrospectively allocate cash received with Debtors over the immediate year end period.

f. **Impact of not discounting the future cash flows per Morrison's lease agreement**

Auditors conclude that the deferred purchase amount being paid over 25 years through a lease for the cattle market, inherently includes the introduction of an interest payment. This isn't explicit in that document. But they suggest that instead of recording £4m as a deferred capital receipt, the Council should instead record £1m of that as interest. This isn't a situation the Council accords with as yet. There is no effect on the bottom line of the Statement of Accounts.

g. **Expenditure overstated as prepayment journal not posted at year-end**

The reality is the Accounts reasonably reflect 12 months' worth of service and expenditure, and to correct would introduce artificial variance in any comparison between years. Audit colleagues calculate the effect as being £177,000, but ignore the adjustments made in bringing forward expenditure from previous financial year such that the net effect of the adjustment is anticipated to have a trivial effect on bottom line of Accounts.

h. **Re-charges incorrectly classified in the Expenditure and Funding Analysis and the CIES**

Revised guidance received March 2017 now indicates that in respect of recharges that Statement of Accounts information should be prepared on the same basis as management information reported during the year. MCC's management information does not traditionally involve the regular recharging of central support services, as the focus is on central support managers having the same responsibility as service managers in managing their budgets, but given the timing of revised guidance it wasn't possible to alter arrangements retrospectively. The recharges exercise is commonly undertaken at the year-end as the Statement of Accounts service expenditure has historically been required to be prepared on a "Total Cost" basis. That total cost approach is still useful from a benchmarking and comparison point of view, and important in the consideration of service re-design or

outsourcing. Management advocate a period of reflection to decide the pro and cons of advocating changing the in-year management reporting or dismiss the year end recharging exercise for Statement of Accounts purposes.

In conclusion, given multiple demands on management's time, increasingly it is necessary to consider whether the additional efforts advocated by the audit process has an effect on the bottom line of the Accounts, and it is important to note that audit colleagues conclude the Accounts represent a "true and fair" despite these adjustments not being made.

Representations by Members of Monmouthshire County Council

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Monmouthshire County Council on [Insert Date].

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Officer who signs on behalf of management

Date:

Signed by:

Officer or Member who signs on behalf of those charged with governance (director only for companies)

Date:

Appendix 2

Proposed audit report of the Auditor General to the Members of Monmouthshire County Council

I have audited the accounting statements and related notes of Monmouthshire County Council for the year ended 31 March 2017 under the Public Audit (Wales) Act 2004.

Monmouthshire County Council's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17 based on International Financial Reporting Standards (IFRSs).

Respective responsibilities of the responsible financial officer and the Auditor General for Wales

As explained more fully in the Statement of Responsibilities for the statement of accounts set out on page 6, the responsible financial officer is responsible for the preparation of the statement of accounts, which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounting statements

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Monmouthshire County Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the narrative report to identify material inconsistencies with the audited accounting statements and related notes and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the accounting statements of Monmouthshire County Council

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Monmouthshire County Council at 31 March 2017 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17.

Opinion on other matters

In my opinion, the information contained in the narrative report for the financial year for which the accounting statements and related notes are prepared is consistent with the accounting statements and related notes.

Matters on which I report by exception

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept;
- the accounting statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit;
- the Governance Statement contains material misstatements of fact or is inconsistent with other information I am aware of from my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Monmouthshire County Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit Practice issued by the Auditor General for Wales.

For and on behalf of

Huw Vaughan Thomas
Auditor General for Wales

[Insert Date] September 2017

Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of corrections made to the draft financial statements which should be drawn to the attention of the members of Monmouthshire County Council

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Value of correction	Nature of correction	Reason for correction
£336,000	Note 12.10 Authority as Lessee "Not later than 1 year" decreased by £161000. "Later than one year and not later than five years" decreased by £175000.	Figures disclosed were picking up the wrong cell on working paper.
£2,775,000	Note 12.5 Capital Commitments Capital commitments was decreased by £2,775,000.	Amended disclosure as balance did not agree to supporting documentation.
£6,777,000	Note 12.11 Leases – Authority as Lessor Future minimum lease payments 2016/17 were decreased by £6,777,000. The comparative figure 2015/16 was also decreased by £3,019,000.	Error on the lifetimes leases as the Council had calculated the future minimum lease payments to year 2099. However, these leases have a notice period of 1 year and therefore, the minimum future lease payments would only be 1 year. This is in line with section 4.2.4.2 of the CIPFA Code 2016-17.
£1,525	Note 16.8 Senior Officer Remuneration Senior Officer Remuneration increased by £1,525.	Senior Officer remuneration has been increased as it did not include the Benefits-in-kind.
Narrative	Note 16.8 Senior Officer Remuneration Median salary increased from £20,456 to £21,057, and the ratio decreased from 5.43:1 to 5.28:1.	Population from which the Median salary is calculated include a duplicated employee and hence the median salary and remuneration ration were incorrectly calculated. It was checked that this employee had only been paid for one role and no issues identified.

Presentational	<p>Note 11.7 Grant income (Revenue Grants and Contributions)</p> <p>Sustainable Waste Management grant increased by £294,000 and Other WAG grants decreased by £294,000.</p>	Classification error within Revenue Grants and Contributions Note 11.7.
£592,403	<p>Note 13.4 Nature and Extent of risk arising from financial instruments (part c Credit Risk)</p> <p>The value disclosed for the impact of a 1% change in interest rates on the fair value of financial liabilities has been increased from £9,231,000 to £9,823,403.</p>	Amended disclosure as balance did not agree to supporting documentation.
Presentational	<p>Note 11.1 Adjustments from the General Fund to arrive at the CIES amounts</p> <p>Net change for pension adjustments 2105/16 increased by £324,000 and Other differences decreased by £324,000.</p>	The "Net change for pension adjustments" 2015/16 per Note 11.1 to the Expenditure and Funding Analysis does not agree to Note 10.2 "Adjustments between accounting basis and funding basis under regulations".
Narrative	<p>Note 12.7 Investment Properties</p> <p>Additional information added regarding the fair value hierarchy (i.e. levels 1, 2 & 3) of investment properties.</p>	Additional disclosure required to comply with sections 2.10.1.1 and 2.10.4.1. of the CIPFA Code 2016-17.
Presentational	<p>Note 11.2 Nature of Expenditure</p> <p>Note added detailing the nature of the expenses in the CIES, including depreciation and amortisation expense and employee benefits expense.</p>	Under section 3.4.2.43 of the CIPFA Code 2016-17 the Council are required to disclose a "Nature of Expenses" note.
Presentational	<p>Note 14.9 Summary of the movements in assets and liabilities</p> <p>All totals for the pension scheme years 2012/13 to 2106/17 had to be shifted one column left (i.e. to the prior year) and totals entered for 2016/17 as follows:</p> <ul style="list-style-type: none"> * Deficit on LG Pension Scheme £211,819 * Deficit on Teachers Unfunded Scheme £5,417 * Total Deficit £217,236 	Figures disclosed were picking up the wrong cell on working paper.

Presentational	<p>Note 16.6 Related Business Operations</p> <p>The comparative information for Dragon Waste, Y Prentis and Gwent Crematorium was for 31.03.15. These have been updated to reflect the year ended 31.03.16.</p> <p>There was inconsistent reporting of entities figures as some entities had "gross" trading figures (e.g. Gwent Archives, Gwent Crematorium & SRS Business Solutions Ltd), and some shown as percentage of shareholding (e.g. Project Gwyrdd & Dragon Waste Ltd). These have been updated to show the "gross" trading figures for all entities and Monmouthshire County Council's shareholding/interest clearly stated.</p>	Note was not presented in a consistent manor and potentially misleading for the user of the accounts.
Presentational	<p>Supporting notes added for material Balance Sheet items as follows:</p> <ul style="list-style-type: none"> * Long Term Debtors £4,240,000 * Deferred Capital Receipts £4,000,000 	Additional disclosure required to comply with the CIPFA Code 2016-17.
Presentational	<p>Note 11.1 Expenditure and Funding Analysis</p> <p>The following three lines disclosed in the EFA have been aggregated:</p> <ul style="list-style-type: none"> * Other operating expenditure * Financing and investment income and expenditure * Taxation and non-specific grant income and expenditure. 	Disclosure adjusted to comply with section 3.4.2.97 of the CIPFA Code 2016-17.

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SUBJECT: Monmouthshire Housing Association – Requests to Extend the VAT Set Off Agreement and Support to Review Governance Structure
MEETING: County Council
DATE: 21st September 2017
DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 To consider two requests from Monmouthshire Housing Association (MHA) to extend the VAT Set-Off Agreement with the Council and to support a review of MHA’s governance structure through allowing MHA to make necessary rule changes.

2. RECOMMENDATIONS:

- 2.1 To agree to:
- Enter into a deed of variation to extend the VAT Set-Off Agreement;
 - MHA making rule changes to remove the current 4 nominees arrangement; reducing Council nominees from 4 to 2; Council nominees to meet the skillset required by MHA and in the event that the Council can’t nominate a suitable nominee. MHA will be able to fill any void positions for three years.

3. KEY ISSUES

Extension of VAT Set-Off Agreement (See Appendix 1)

- 3.1 Under stock transfer, MHA agreed to undertake to deliver a 10 year programme of planned improvements to the transferred stock, valued at £92,217,863. This sum was subject to a VAT Set-Off Agreement with the Council. This facilitated MHA to benefit from the Council’s VAT shelter and exempted the work from VAT.

- 3.2 At the end of 2012, MHA’s stock had achieved the Welsh Housing Quality Standard and were on course to deliver the works outlined in the transfer. During the course of the works it became apparent that it would not be practical nor of best value to carry out all of the works within the 10 year period. To do so would have required replacing elements (such as windows) before the end of their lifespan and carrying out works in an inefficient and disruptive manner.

- 3.3 MHA are, therefore, requesting a 5 year extension to the VAT Off-Set Agreement in order to complete the agreed original programme of works. The Stock Transfer Agreement allows MHA to defer completion of the said works, subject to informing the Council of the delay and consulting on implementing a revised programme.

- 3.4 The Council has sought advice on MHA’s request. The Council has been advised that there are no issues if the schedule of works remains the same. There are no changes to the original programme of works. Nor additional costs to the Council.

Proposed MHA Rule Changes

- 3.4 MHA are currently reviewing their future direction. MHA will continue to invest in their stock, but also wish to increase their development of affordable housing whilst expanding their trading subsidiary, the surplus of which is gift aided to MHA and reinvested back into Monmouthshire. To support this MHA wish to change their Board structure to ensure they have the necessary requisite skills.

- 3.5 By way of further context (**See Appendix 2**) Welsh Government intend to legislate **against** the current public classification of registered social landlords. This is expected to include a power to reduce local authority influence over RSL's which is proposed to include a limit on reserved places for local authority nominees and removing any controlling voting. Welsh Government have preceded this with a revised Regulatory Framework and guidance (**See Appendix 2**) strengthening the focus on RSL's to demonstrate management boards have the requisite skill set to adequately run organisations, protect tenants and ensure financial viability.
- 3.6 At present the Board is made up of 4 independents, 4 tenants and 4 county councillors. MHA are, therefore, requesting the Council to assist MHA by:
- Agreeing to allow MHA to change its rules to remove the current 4 nominees;
 - Reducing the number of nominees from four to two and accepting that these don't necessarily need to be elected members;
 - Accepting that nominees would need a skillset as required by MHA and should the Council be unable to nominate a suitable nominee, MHA be able to fill any vacancy with a candidate with the required skills set of their own choice for three years and
 - Allowing MHA to change any rules necessary to implement the above and to amend any other rules that may be necessary as a result of the above.
- 3.7 Within the Stock Transfer Agreement, MHA has covenanted with the Council *not to change its Rules of Association so far as they relate to local authority or tenant representation without the Council's prior consent in writing, such consent not to be unreasonably withheld or delayed and in relation to all reasonable advice issued by the Associations regulator concerning the governance of all or classes of registered social landlords, the Council shall be required to give its consent promptly.* In this context, the Council's Legal Service has advised that given that the rule changes are consistent with Welsh Government policy direction and guidance, it will be difficult for the council to refuse to give its consent to the proposed changes
- 3.8 Officers have assessed the risks of MHA's request, which are considered to be low. **See Appendix 3.**
- 3.9 MHA has explicitly stated that it is **not** seeking to change its rule which says it will operate primarily within Monmouthshire. Indeed, with 236 people employed directly and another 40-60 employed at any one time through contractors, MHA wish to stress their commitment to Monmouthshire. If additional opportunities arise within the County, MHA have advised they will commit further resources. MHA have made the point that as their subsidiary grows, the proceeds from this are and will be recycled through the parent organisation, which is committed to Monmouthshire. This is also reflected in the Business Plan going forward.
- 4. REASONS:**
- 4.1 Under the Stock Transfer Agreement with the Council, MHA is required to seek approval from the Council in respect of the changes they wish to make.
- 5. RESOURCE IMPLICATIONS:**
- 5.1 There are no direct resource implications for the Council.
- 6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:**

- 6.1 Positive implications have been identified. **See Appendix 4**
- 7. SAFEGUARDING & CORPORATE PARENTING IMPLICATIONS**
- 7.1 No implications have been identified.
- 8. CONSULTEES:** Cabinet; Senior Leadership Team; Senior Accountant Financial Control; Monitoring Officer and MHA.
- 9. BACKGROUND PAPERS:**
Stock Transfer Agreement; 'Regulatory Framework for Housing Associations' and 'Sector Risks and Regulatory Expectation,' – Welsh Government, June 2017.
- 10. AUTHOR: Ian Bakewell, Housing & Communities Manager**
- 11. CONTACT DETAILS: Tel: 01633 644479 Email:**
ianbakewell@monmouthshire.gov.uk

Appendix 1

Extension of VAT Set-Off Agreement

- **Summary and Anticipated Expenditure Up to End of Current 10 Year Agreement**

Element	Estimated Value of Works – 10 Year Agreement	Estimated Spend to March 2018
Catch-up repairs	1,881,422	61,945,655
Programmed renewals	66,386,988	
Improvements	5,172,845	
Related Assets	2,522,523	
Asbestos Contingency	2,782,984	
Leaseholder Stock	630,633	
Non-Traditional Stock	8,059,982	5,028,000
Environmental	4,275,973	3,871,000
Garages	504,707	1,220,345
Total	92,217,866	72,065,000

- **Anticipated 5 Year Expenditure For Extended Period 2018-2022**

Element	Anticipated Expenditure 2018- 2022
Bathrooms	858,000
Communal	395,000
Electrics	919,000
External Works	3,245,000
Heating & Water	2,756,000
Kitchens	3,504,000
Roofs	2,990,000
Walls	2,017,000
Windows & Doors	502,000
Non-Traditional Stock	1,500,000
Related Assets	750,000
Asbestos Contingency	250,000
Environmental	405,000
Total	20,091,000

- **Further Background About Works Not Carried Out Under 10 Year Programme**

- **Tenants opting out of work.**

MHA have allowed tenants to opt out of work that doesn't have a significant health and safety risk. E.g. kitchens, bathrooms, additional socket outlets etc. Opting out of work has typically been taken up by tenants who felt they could either not put up with the disruption or were too unwell. Tenants have the option to opt back into work at any time if their circumstances change. Otherwise the work is done when the property is vacated.

- **Life expectancy of components.**

MHA have deferred the replacement of components that are still in good condition. For example, MHA have delayed carrying out unnecessary replacement of external wall rendering and wall pointing that has been programmed within the 10 years where we find it to be in good condition. MHA have also extended the lives of kitchens and bathrooms particularly in older person's accommodation where they have found to be in good condition.

The original stock condition survey did not take into account the interdependencies between component parts.

In addition to maximising the life expectancy of components MHA have programed their replacement to take into account the interdependencies between them. For example we have delayed the replacement of radiators and pipework to coincide with the next boiler replacement program.

- **Deferred the external maintenance program.**
Like most Large Scale Voluntary Transfers, MHA have prioritised resources on what has mattered most to tenants i.e. the WHQS work. In doing so MHA deferred carrying out significant external in curtilage works programs, i.e. walls, fences, gates and paths. Whilst MHA now have a large programme in progress these components will take another 5 years to complete.

Appendix 2

Re-Classification of Housing Associations

In September 2016 the Office of National Statistics (ONS) announced that they were re-classifying Housing Associations in Wales as public sector bodies. This would have a big impact on housing associations and Welsh Government primarily by impacting upon the ability to borrow from the private sector. This would have further implications for Welsh Government on seeking to achieve their target of developing 20,000 new homes.

In order to reverse this re-classification and ensure housing associations are classed as private sector again, the Welsh Government published a consultation document on proposed regulatory reform of registered social providers. This document mainly refers to the regulator's powers, but also makes proposals around the powers held by local authorities as follows:

- Introduce a new power to reduce Local Authority (LA) influence over RSLs in Wales. ONS has indicated the current arrangements, usually contractual between local authorities and, in most cases, Large Scale Voluntary Transfer RSLs, for reserved places on RSL Boards, and in some cases holding particular voting rights, including effectively powers of veto on matters including constitutional change, are indicators of control and therefore require reform. The policy proposal is to introduce powers to: limit reserved places for local authority appointees on any Welsh RSL Board to a maximum of 24% of the total number of Board members at any time;
- Remove local authority appointees before the end of their term and allow any necessary constitutional changes to be made;
- Remove any controlling voting or any other rights of consent which local authority appointees currently have including as Board members or shareholders;
- Remove any requirement for local authority appointees to be present to achieve a quorate meeting; and
- Remove any requirement for any other specific local authority consent separate to any voting rights. Any such provisions would override any existing rights for local authorities to nominate Board places whether arising through RSL rules or contracts.

Extracts of Relevance from Welsh Government Housing Regulation and Guidance Publications

- **The Regulatory Framework for Housing Associations Registered in Wales, June 2017**
 - *'The revised approach provides a focus on continuous improvement and a clear regulatory judgement. New performance standards place a stronger focus on decision making, leadership and financial viability aligned with the way effective organisations actually run their businesses.....'*
 - *'The new Framework recognises the autonomy and independence of Housing Association Boards with an increased focus on good governance.....'*
 - *'The purpose of the Regulatory Framework is to ensure that Housing Associations provide good quality homes and high quality and improving*

services to tenants and others who use their services. Welsh Ministers regulate by ensuring that each housing association is:

- *Well governed – led effectively and well managed by boards, executives, staff and works with tenants and partners to make and implement effective business decisions.*
- *Delivering high quality services.....*
- *Financially viable – has the money to meet current and future business commitments and effectively manages its finances’*

- **Sector Risks and Regulatory Expectation, June 2017**

‘Moving forward, regulatory focus will be on strategic risks and business viability issues - specifically on how the Board is assured that its primary responsibility of ensuring the effective running of the RSL is fully and properly discharged. The Board needs to understand the issues and risks it faces in delivering its own business plan.’

‘We are seeking assurance from each Board that risks faced in relation to governance including landlord services and financial viability are being identified and managed effectively.’

‘Governance and Landlord Services Risks

The key risks of in terms of governance and landlord services are outlined below:

- **Poor quality governance & leadership:** *The Regulator will be seeking assurance on the quality of the leadership of the Board and senior management team.....*
- **Inadequate understanding of the changing operating environment:** *Boards must be strategically effective in forward planning, scenario consideration and seeing the ‘bigger picture’ (the creative and innovative aspects of governance) and should be aware of the implications of the fast changing external environment.*
- **Poor quality risk management and stress testing.....**
- **Ineffective tenant involvement.....**
- **Lack of equality and diversity including Board diversity.....**

Boards must ensure they have the skills and knowledge to understand the diverse range of risks their organisations will be exposed to as a result of the increasingly complex nature of the transactions they enter into. Boards must be able to identify when and where there are skills gaps and ensure they have an appropriate strategy in place to access the relevant expertise.’

Board Skills & Capability

MHA operates in an increasingly changing and challenging environment – politically and financially. MHA are committed to building new homes – which in itself brings about challenges and requires a level of experience and knowledge at senior management and Board level.

Due to Welfare Reform and the associated uncertainty that this is creating uncertain financial situation, MHA wish need to find alternative forms of income to ensure that they continue to be viable businesses and are able to develop new homes. This requires the Board to have business skills and expertise.

With the uncertain financial environment, development and diversification, strong financial skills are key if Boards are to ensure housing associations remain viable and prosperous businesses.

Technological developments and enhancements mean that housing associations need to invest and explore new ways of delivering their services. This may require boards to have technical knowledge and experience. Housing Associations need to ensure that they are able to appoint board members who have the relevant skills for the business.

MHA recently went through a recruitment process for independent board members and the skills that are currently required on MHA Board are:

- property development,
- commercialism,
- change management,
- property asset management/maintenance,
- procurement and;
- sustainability initiatives
- I.T./Digital technology

At the last board away day it was agreed that additional skills were required, particularly around business and IT.

Appendix 3

Risk Overview – Monmouthshire Housing Proposed Rule Change August 2017

The following provides an on overview of risks to Housing & Communities, the wider Council and to Monmouthshire as a community/county in relation to Monmouthshire changing their

Risk Register					
Risk Description	Risk			Risk Mitigation & Potential Actions	Comment
	Impact	Likelihood	Priority		
The level of investment in the local housing stock may be reduced resulting in a decline in condition.	H	L	H	<p>MHA have a regulatory responsibility to continue to maintain the Welsh Housing Quality Standard and meet performance standards. The Regulatory Framework is designed to protect tenants and to ensure high quality services are delivered</p> <p>MHA are obliged to consult with tenants about potential management changes. Their governance structure provides the necessary opportunities including tenant board membership</p> <p>The needs of tenants are at the heart of the Regulatory Framework</p>	
MHA may pull out of the Homeseach Partnership eg the common housing register and common allocation policy	H	L	H	MHA would be obliged to implement a nominations agreement with the Council	MHA could make a decision to withdraw from the Partnership outside of any rule change

MHA may pull out of Public Service Board membership and PSB partnership involvement	M	L	M	MHA aren't statutory members.	MHA could make a decision to withdraw from the PSB outside of any rule change
MHA may cease to support MCC priorities eg homelessness	H	L	H	Ditto	Not supporting MCC's priorities would be detrimental to MHA's business sustainability and development
MHA may reduce their level of service to tenants	H	L	H	<p>MHA are legally obliged to consult with tenants about potential management changes. Their governance structure provides the necessary opportunities including tenant board membership</p> <p>MHA covenants to encourage the development of resident involvement.</p> <p>The needs of tenants are at the heart of the Regulatory Framework MCC should reflect MHA activity in the annual scrutiny programme</p>	MHA covenant for the benefit of each tenant that it will consult on any changes in matters of housing management.
MHA may refuse to develop affordable housing as required by the Council and in line with strategic priorities	H	L	L	<p>The Council could refuse to facilitate access to Social Housing Grant</p> <p>The Council would continue to work with Pobl and Melin Homes</p>	This would be detrimental to MHA's business development ambitions
MHA may refuse to provide a development role	M	L	L	The Council continues to have good development partnerships with Pobl and Melin Homes who would be happy to support	Ditto

				MCC maximise development delivery	
MHA may withdraw from Supporting People commissioned activity	L	L	L	<p>Contracts are in place that can be enforced through Commissioning arrangements and Supporting People funding can be withheld or clawed back</p> <p>Other providers are available who could step into backfill or replace MHA</p>	Non-compliance with Supporting People contracts would be detrimental to MHA's business development and strategic influence

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APPENDIX 4



monmouthshire
sir fynwy

Future Generations Evaluation
(includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer Ian Bakewell</p> <p>Phone no: 01633 644455</p> <p>E-mail: ianbakewell@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>Monmouthshire Housing Association have made requests to the Council to Extend the VAT Off-Set Agreement and to amend their rules in relating to MCC Board Membership</p>
<p>Name of Service</p> <p>Housing & Communities</p>	<p>Date Future Generations Evaluation</p> <p>24th August 2017</p>

1. **Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.




Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The rule change supports MHA's ambitions to strengthen their subsidiary and increase the level of development, which in turn will support additional employment and increase</p>	<p>MHA are already a developing RSL and have established a subsidiary.</p>

Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
	the creation of sustainable and affordable housing accommodation.	
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	N/A	N/A
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	Both MHA's requests supports MHA's commitment to the on-going investment in their housing stock. Good stock contributes to tenant well-being	All MHA properties already meet the WHQS
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	MHA's services create and support sustainable long term affordable accommodation. MHA are required to strengthen financial viability and manage associated risks accordingly	MHA have an on-going focus in this respect
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	MHA look to establish local supply chains	MHA look to establish and maintain local supply chains



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Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>Through MHA's tenant engagement strategy, opportunities exist for tenants</p>	<p>Through MHA's tenant engagement strategy, opportunities exist for tenants</p>
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>MHA activity supports settled households and communities in which they are better able to fulfil their potential.</p>	<p>MHA activity supports settled households and communities in which they are better able to fulfil their potential</p>

How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Balancing short term need with long term and planning for the future</p>	<p>The VAT proposal supports the on-going investment in the MHA housing stock. A focus of this is timely replacement of elements reducing the need for short-term and costly repairs.</p> <p>A further focus is sustainability</p> <p>The rule change supports WG policy to increase the delivery of affordable housing</p>	<p>A programme of renewal has been delivered already and the stock meets the WHQS</p>
 <p>Working together with other partners to deliver objectives</p>	<p>MHA are committed to Monmouthshire as a county and engaging with partners and stakeholders</p>	<p>MHA are members of numerous PSB Partnerships</p> <p>MHA work in partnership with Housing & Communities eg Homeseach</p>
 <p>Involving those with an interest and seeking their views</p>	<p>MHA have engaged with tenants including those on the Board</p>	<p>N/A</p>

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Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>In relation to the VAT proposal, the associated programme of work is very much preventative works before elements fail.</p>	<p>A programme of works has already been completed to the stock, which now meets the Welsh Housing Quality Standard</p>
 <p>Integration</p> <p>Positively impacting on people, economy and environment and trying to benefit all three</p>	<p>The MHA service positively impacts upon the local economy by providing jobs and supporting local supply chains. Activity also benefits tenants</p> <p>MHA are increasingly looking to delivery services that minimise impact on the environment</p>	<p>N/A</p>

3. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The MHA service is available to this and all groups	None	The proposal supports an increase in the diversity of the MHA Board
Disability	Ditto	Ditto	Ditto
Gender reassignment	Ditto	Ditto	Ditto
Marriage or civil partnership	Ditto	Ditto	Ditto
Race	Ditto	Ditto	Ditto
Religion or Belief	Ditto	Ditto	Ditto
Sex	Ditto	Ditto	Ditto
Sexual Orientation	Ditto	Ditto	Ditto
Welsh Language	Ditto	None	Bi-lingual information will be available

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4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance note <http://hub/corporatedocs/Democratic%20Services/Equality%20impact%20assessment%20and%20safeguarding.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	The MHA wider service will help to identify issues and provide housing related solutions	None	MHA staff have undertaken Training
Corporate Parenting	Ditto	None	

5. What evidence and data has informed the development of your proposal?

VAT related advice from the Council's VAT's advisors

Welsh Government Housing Regulation – The Regulatory Framework for Housing Associations Registered in Wales May 2017

Welsh Government - Sector Risks and Regulatory Expectation, June 2017

Supplementary information from Monmouthshire Housing Association

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

- The lettings agency service will help reduce the need to identify alternative or temporary accommodation, such as B & B and the associated costs.
- The service at the initial outset will not have the capacity to support non-homeless prevention households requiring accommodation, however it is expected that as the service grows and more properties are taken on all households looking for accommodation will be able to access the service.
- As the service grows so will it help to facilitate a small income for the Council.

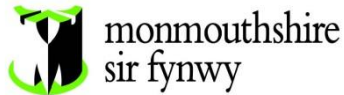
7. Actions. As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

Page 1 of 2

What are you going to do	When are you going to do it?	Who is responsible	Progress
N/A	N/A	N/A	N/A

8. Monitoring: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	<p>Will be reviewed on an on-going basis through quarterly monitoring reports and Team Meeting</p> <p>The service will be considered during periodic analysis of failed homeless prevention, undertaken to identify possible improvements and understand potential service flaws.</p>
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SUBJECT: Stage 2 Improvement Plan 2016/17

MEETING: County Council

DATE: 21st September 2017

DIVISIONS/WARDS AFFECTED: All

1. PURPOSE:

- 1.1 To seek council approval of the Stage 2 Improvement Plan for 2016/17.
- 1.2 To ensure that members have access to comparative performance information for 2016/17.

2. RECOMMENDATIONS:

- 2.1 That the Stage 2 Improvement Plan 2016/17 be approved, subject to any final amendments agreed by council.

3. KEY ISSUES:

- 3.1 The Local Government (Wales) Measure 2009 places a duty on local authorities to make arrangements to secure continuous improvement in the exercise of their functions.
- 3.2 As part of the Wales Programme for Improvement councils must:
 - Set Improvement Objectives at the beginning of each business year. These are included in the Stage 1 Improvement Plan 2016/17 which was agreed by Council in May 2016.
 - Collect evidence of progress made and outcomes achieved during the year and publish a report on that information. This is reported in the Stage 2 Improvement Plan published each October.
- 3.3 This Stage 2 Improvement Plan covers the period April 2016 to March 2017 and sets out performance achieved in 2016/17 against the actions and performance measures approved by Council in May 2016 as part of its Improvement Plan.
- 3.4 In this plan we evaluate performance against our local priorities and objectives, as well nationally important issues. The plan describes progress with our five Improvement Objectives and assesses each one using a six point scale which ranges from unsatisfactory to excellent. The improvement objective performance has

already been scrutinised extensively by all four select committees in July 2017. Three of our five improvement objectives have been evaluated as making good progress with two objectives making adequate progress. Under-performance has been evaluated in the plan to inform our future work. Plans in place to continue to progress the actions will be contained in the relevant service plans.

- 3.5 The Improvement Plan is a public document and should be accessible to a wide audience. The plan will be published on the council's website alongside a shorter summary version. The summary will be made available as a hard-copy in community hubs, reception areas and on the council's website.
- 3.6 The Welsh Government have recently consulted on plans to repeal the Local Government (Wales) Measure 2009 which means this is likely to be the final plan and report in this format.
- 3.7 The Future Generations Act is changing the way in which we plan for future years, encouraging us to look ahead in ten and even 25 year time frames. Reducing budgets, increasing demand and higher public expectations mean that we cannot keep delivering public services using the same approach. It is vital that we look to the future and identify new ways of doing things. Members commissioned the Future Monmouthshire programme to help shape this thinking.
- 3.8 We have completed two substantial assessments of well-being, The Well-being Assessment and Population Needs Assessment, these are available on www.monmouthshire.gov.uk/our-monmouthshire . This information has provided a much deeper evidence base of well-being in the county and an understanding of the things that our communities value. We have used these assessments to publish, as required by the Future Generations Act, our well-being objectives and statement 2017, available on www.monmouthshire.gov.uk/improvement.
- 3.9 Indications suggest that we will need to plan for and secure a further circa £14 million of cost reduction over the next 4 years. We still need to develop clear plans for the county and council that will make sure we remain relevant and viable for the next generation, while continuing to meet the needs of residents, visitors and businesses in the here-and-now. This work is called Future Monmouthshire and will look to implement a new sustainable and resilient operating model for the Council.

4. OPTIONS APPRAISAL

This plan is an evaluation of previous commitments and is not seeking a decision on a future policy direction

5. EVALUATION CRITERIA

This plan is an evaluation of our performance against our local priorities and objectives set for 2016/17 in the Improvement Plan. That plan set out clear measures and milestones against which we would evaluate progress and members

can see these as part of the Improvement Plan itself. Future performance plans will have established evaluation criteria.

6. REASONS:

- 6.1 To ensure that the council can be held to account for performance and can demonstrate progress towards delivering better outcomes for citizens.
- 6.2 To comply with the Local Government (Wales) Measure 2009.

7. RESOURCE IMPLICATIONS:

None

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

This plan is an evaluation of previous commitments and is not seeking a decision which would have an impact on these issues

9. CONSULTEES:

Senior Leadership Team;
Cabinet;
Select Committees scrutinised progress against the five Improvement Objectives during July 2017.

10. BACKGROUND PAPERS:

Stage 1 Improvement Plan 2016-17

11. AUTHORS:

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Richard Jones, Policy and Performance Officer
RichardJones@monmouthshire.gov.uk

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How we Performed 2016/17



monmouthshire
sir fynwy

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Version Control

Title	Stage 2 Improvement Plan 2016/17
Purpose	To assess our progress and performance in 2016/17 and evaluate how well we have done to help citizens hold us to account on our performance. This plan outlines the council's responsibility to review its Improvement Objectives and assess its performance in the previous financial year in line with the Local Government (Wales) Measure 2009 and shows how the council is delivering the 7 aspects of improvement.
Owner	Policy and Performance Team
Approved by	Not yet approved
Date	September 2017
Version Number	2.0
Status	draft
Review Frequency	Annual
Next review date	The Welsh Government have recently consulted on plans to repeal the Local Government (Wales) Measure 2009 which means this is likely to be the final plan and report in this format.
Consultation	Our assessment of progress against the five improvement objectives reported in this plan was scrutinised by the council's four Select Committees in July 2017.

Welsh language and alternative formats

In line with the council's Welsh Language Scheme, a Welsh language version of the Improvement Plan will be available on the council's bilingual website.

Y Gymraeg a fformatau eraill

Yn unol â Chynllun Iaith Gymraeg y Cyngor, bydd fersiwn Gymraeg o'r Cynllun Gwella ar gael ar wefan ddwyieithog y Cyngor

We can also provide this document in Braille, large print, on tape or in electronic form. If you would like a copy in a different format please contact our Equality and Welsh Language Officer by:

Phone: 01633 644010 or 07793798920


Fax: 01633 644666


e mail: equality@monmouthshire.gov.uk

If you want to comment on the council's performance or give your thoughts on issues that you feel should be set within the council's Improvement Objectives next year, please get in touch:

 improvement@monmouthshire.gov.uk

 www.monmouthshire.gov.uk/improvement

 Matthew Gatehouse, Policy and Performance Manager, Monmouthshire County Council, County Hall, Rhadyr, Usk, Monmouthshire, NP15 1GA

 01633 644602

 @MonmouthshireCC

Introduction

Public services have faced some pretty big challenges in recent years. The money we get from Welsh Government has been falling in real terms and we're confronted by some big challenges such as meeting the needs of a growing number of older residents, declining numbers of young people and new legislation as well as huge challenges like Brexit, climate change and making the best of the opportunities offered by new technology.

Our current ways of doing things have served us well and delivered some really good outcomes. We've managed to find savings of £17m over the past four years without our communities experiencing significant decline in front-line services and in many service areas, performance has actually continued to get better.

We recognise that we can't do everything. Our purpose is to build sustainable and resilient communities. Services need to continue to think more about the long-term, work better with people and communities, look to prevent problems before they arise and take a more joined-up approach. We expect every council service, whether provided directly or not, to be efficient and cost effective.

Our annual improvement plan has been a central part of our planning to set our objectives for the year ahead, the specific actions we will undertake and how we will measure our performance. This plan evaluates how well we have delivered the objectives that councillors set in May 2016. We've evaluated performance against our local priorities and objectives, as well as nationally important issues to place these national issues in their local context.

The Future Generations Act is changing the way in which we plan for future years, encouraging us to look ahead in ten and even 25 year time frames. This is a welcome piece of legislation. Over the past twelve months we've have completed two substantial assessments of well-being, The Well-being Assessment and Population Needs Assessment, these are available on www.monmouthshire.gov.uk/our-monmouthshire . This information has provided a much deeper evidence base of well-being in the county and an understanding of the things that our communities value. This is not static, and we need to continue this engagement.

We have used this to publish the council's well-being objectives and statement 2017 which is available on www.monmouthshire.gov.uk/improvement . The well-being objectives we have set bring together the evidence, policy and legislation currently available to set out the objectives we will focus on. Indications suggest that we will need to plan for and secure a further £14 million of cost reduction over the next 4 years. In May 2017 a new set of councillors were elected and we are in the process of developing plans to make sure we remain a relevant and viable organisation to meet the needs of current communities and future generations. In the meantime please take a look at some of the things we've been doing over the past twelve months. If you'd like to get involved we welcome comments on facebook and twitter as well as telephone, letter and e-mail.

The Vision for Monmouthshire

We want to enable the building of sustainable and resilient communities that support the well-being of current and future generations.

This vision is at the heart of everything we do to improve the economic, social, environmental and cultural well-being of Monmouthshire.

Every contact with us will be focused on what matters to individuals and building sustainable and resilient communities. Our values reflect who we are, how we do things and how we are shaping the future:

Openness: We're open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we can't do something to help we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – as we want everyone to trust us.

Fairness: We provide a fair choice, to help people and communities thrive. If it doesn't seem fair we'll listen and help explain why. We will always try to treat everyone fairly and consistently. Tell us if you're not happy, we will listen and explain why we did what we did – we don't make all of the rules but we have to follow them. We'll try to make every contact with us as consistent as possible – as that's fair.

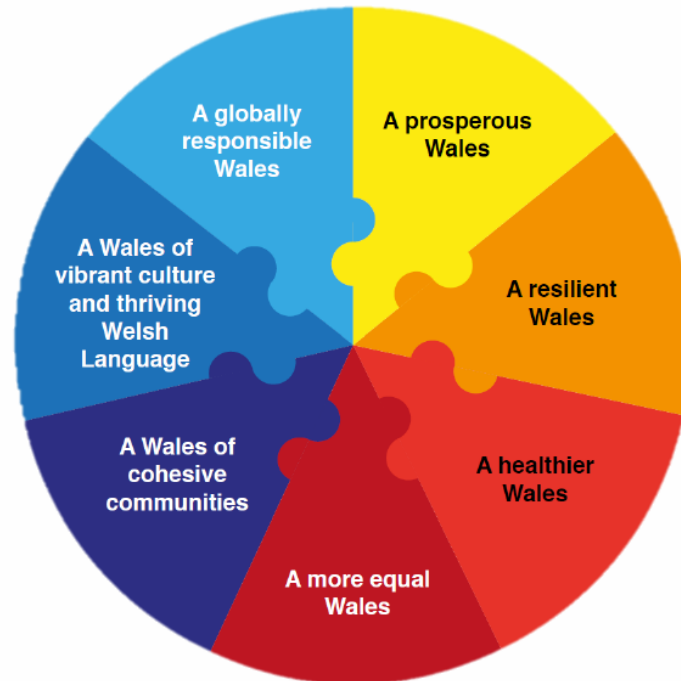
Flexibility: We are flexible and constantly changing to help the county thrive now and in the future, finding new ways to work with you and our partners to empower you to do business, travel and generate growth. Embracing all the opportunities that new technology and data provide.

Teamwork: We'll work with you and our partners to support and inspire everyone to get involved so we can achieve great things together.

The Council is a member of the Public Service Board (PSB) which brings together public sector organisations in Monmouthshire who have a duty to act jointly to improve the economic, social, environmental and cultural well-being of their area. The PSB are currently working on a new plan for Monmouthshire that will be published in 2018. During 2016/17 the year in which the plan relates, we were working towards priorities set by the previous group of councillors in May 2016 and the three specific themes described in the Single Integrated Plan for Monmouthshire that were the focus of our work together. You can view these in appendix 1 of this report along with details of the political priorities that were set by the partnership administration that led the council during this period. Our Improvement objectives described the contribution that Monmouthshire County Council will make to turn the vision into tomorrow's reality.

The Well-Being of Future Generations Act

The Well-being of Future Generations Act is the fundamental legislation that requires us to carry out sustainable development, this should ensure that present needs are met without compromising future generations in meeting their own needs. When carrying out sustainable development, we have to publish well-being objectives, which are available on www.monmouthshire.gov.uk/improvement, these are designed to maximise our contribution to achieving each of the seven wellbeing goals and take all reasonable steps to meet the objectives. The seven wellbeing goals are shown in the diagram below.



In planning our services and taking action to meet our wellbeing objectives we must consider, but also demonstrate that we have applied, the following sustainable governance principles in our decision making:

- Balancing short term needs with long term needs.
- Using an integrated approach, balancing social, economic and environmental needs.
- Involving others and taking their views into account.
- Working in collaboration with others.
- Putting resources into preventing problems

All the current decisions made by the council and its cabinet are assessed using a Future Generations Evaluation which ensures equality and sustainable development are considered fully in the decisions we take.

The Act also puts a well-being duty on specified public bodies to act jointly via Public Service Boards (PSB) to improve the economic, social, environmental and cultural well-being of their area by contributing to the achievement of the well-being goals.

The four statutory members of the Public Service Board, or PSB, are the Local Authority, Local Health Board, Fire and Rescue Authority and Natural Resources Wales. Other organisations are also invited, in Monmouthshire this includes Gwent Police, Monmouthshire

Housing Association, Melin Homes and voluntary organisations represented through the Gwent Association of Voluntary Organisations. Public Service Boards have a planning responsibility to prepare and publish an assessment of local well-being, produce a local well-being plan by May 2018 and report annually on its progress. The local well-being plan will provide important evidence that will inform any revisions to the council's well-being objectives.

The PSB has approved its Well-being Assessment for the county which will help to shape the future of the area and its communities. The assessment draws together findings from data, academic research and policy papers and the views of local people. It is made up of different sections. It considers the economic, social, environmental and cultural well-being of Monmouthshire as a whole. It also provides profiles of more localised areas loosely clustered around our five largest settlements: Abergavenny; Monmouth; Usk; Chepstow and Caldicot. There is a section on future trends and a conclusions section that draws out some of the main messages that the Public Service Board will need to consider. This information has been used to inform the council's well-being objectives and statement 2017 while further consideration will be given to the assessment in future reviews of the objectives.

The Act also places a duty on certain community and town councils to take all reasonable steps towards meeting the local objectives included in the local well-being plan. A community or town council is subject to the duty only if its gross income or expenditure exceeds £200,000. In Monmouthshire we have 34 community and town councils and have begun to work more closely with these in five clusters which mirror the geographies used as part of the well-being assessment.

Social Services and Well-being Act and Safeguarding

The Act came into force in April 2016 and will transform the way care and support is delivered making it a responsibility on more than just the social services department. It is about promoting people's independence to give them a stronger voice and more control and supporting people of all ages as part of families and communities so they are less dependent on institutional services. The Act will:

- Engage with and empower citizens
- Promote independence and well-being
- Give people who receive support and their carers control over their lives and the support they receive to maximise independence.

We have aligned our approach to this legislation with the Future Generations Act, described above, as they are strongly related and have a number of common features such as to carry out assessments and a strong emphasis on prevention and integrated approaches. The Population Needs Assessment provides an assessment of needs for, and priorities for, health and social care within the Greater Gwent Region over a 3 - 5 year period. Regional priorities will subsequently be identified and develop into regional area plans by April 2018.

In Monmouthshire responsibility for well-being and safeguarding is everyone's business. Services have a clear responsibility for ensuring the safeguarding and wellbeing of adults, children and young people.

Equality and Welsh Language

The council has a long standing commitment to equality and diversity. Our second Strategic Equality Plan was published in April 2016 and sets the council's objectives to ensure we deliver better outcomes for people with protected characteristics such as race, gender, disability or age. This is clearly aligned with the well-being goals set by Welsh Government and is a legal responsibility under The Equality Act 2010 – but above all else it is important to us as it is the right thing to do.

We were required to publish the plan before we had the evidence from the Well-being assessment and Population Needs Assessment. These have highlighted some areas where we need to focus our work and will be used to review our Strategic Equality Plan during 2017-18.

The authority recognises that the Welsh language is central to the goals introduced as part of the Well-being of Future Generations Act to ensure we are still able to maximise our contribution to a Wales of vibrant culture and thriving Welsh language.

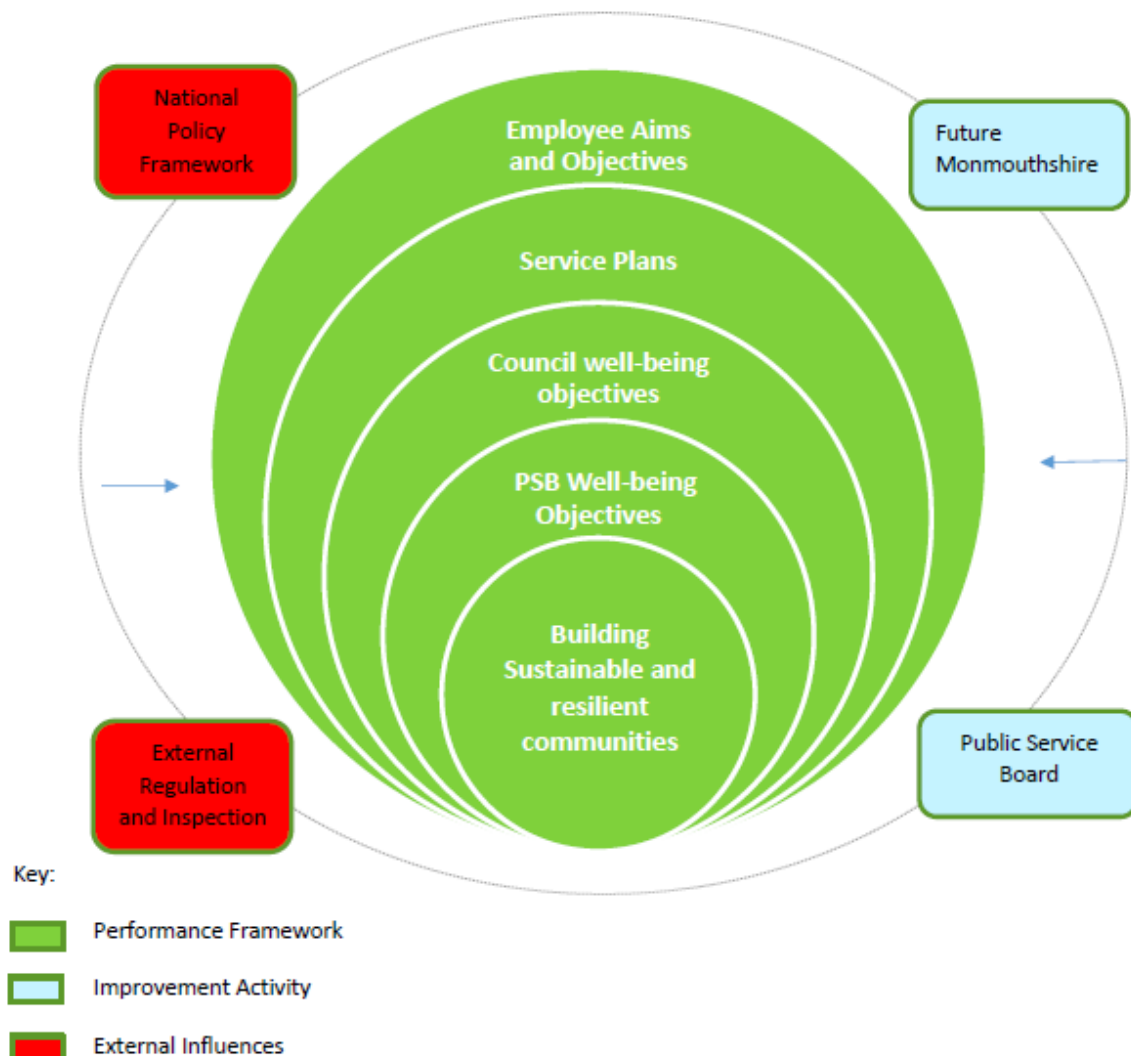
The Welsh Language standards place a legal duty on councils to make it easier for people to use services through the medium of Welsh. They include making it clear that organisations welcome correspondence with the public in Welsh and also making the meeting agendas and minutes available bilingually. The council has set a Welsh Language Strategy for 2017 – 2022, which is a requirement of the standards and sets out a vision of how the Welsh Language will look in Monmouthshire in 5 years' time and targets to achieve that vision.

In March 2016 we offered households the opportunity to state a language preference for their dealings with us. We now maintain a record to ensure that we write and speak with people in the language of their choice. If you have yet to state a preference you can do so by e-mailing cymraeg@monmouthshire.gov.uk or telephoning 01633 644680.

Our Improvement Framework

In Monmouthshire it's even more than the place, it's the people. Not just those on the council's payroll but all of the people who work with us in delivering services and achieving value for money. Our Improvement Framework makes sure that everyone is pulling in the same direction to deliver real and tangible outcomes.

The implementation of the Well-being of Future Generations Act means we have changed our improvement framework from 2016/17 to embed the requirements of the Act in how we plan the delivery of our services. Building sustainable and resilient communities is the unifying purpose for the diverse range of services for which we are responsible. We are also a partner in the Public Service Board, which will publish a well-being plan for the county in 2018. The council's own well-being objectives are set by councilors based on the same well-being assessment. Each of our teams has a service plan that aligns to the objectives we are striving to achieve and we have a range of key performance indicators so that we can keep track of our progress. Our employee aims and objectives show the contribution that individual colleagues make to these objectives and in delivering the organisation's vision in accordance with our values.



Our improvement framework is underpinned by a range of plans that guide our actions to improve services. These are:

Public Service Board Well-being Plan

The Public Service Board will produce a local well-being plan in 2018

Monmouthshire County Council well-being objectives

Set out the council's well-being objectives for carrying out sustainable development and maximise the contribution to achieving the wellbeing goals.

Asset Management Plan

Describes how we manage our land and property portfolio

Medium Term Financial Plan

Sets out the financial challenges we face & how we will meet these challenges

People Strategy

The strategy connects people to purpose to improve performance and deliver better outcomes

i-County

The steps we will take to develop our digital offer in our services and communities

Local Development Plan

Our proposals and policies for future development and use of land

Chief Officer Plans

The council's Chief Officers publish an annual report that shows how they and their teams are performing, their plans for the year ahead and contribution to delivering sustainable development.

Chief Officer Report Social Care & Health

Chief Officer Report Children & Young People

Chief Officer Report Enterprise

Chief Officer Report Resources

Service Plans

Each service has a plan that evaluates performance, plans actions for the year ahead, includes metrics to monitor performance and manages risks.

Employee Aims and Objectives

Employee appraisals, called *check-in-check-out*, enable individuals and teams to outline the values and performance that is relevant in their role and connects them to the purpose of the organisation.

2016/17 Improvement Objectives

It's important that the things we are spending our time and resources doing reflect the views of our communities as well as the national policies set by the governments in Westminster and Cardiff Bay. In 2016/17 we set a series of Improvement Objectives that distil some of our key areas of work into a handful of objectives.

All councils in Wales are required to produce an annual Improvement Plan. This is published in two separate but complimentary sections. Our stage 1 plan was published in May 2016. It described some of the things that the council will do in the year ahead to improve services and work towards our vision of sustainable and resilient communities. These are called our Improvement Objectives. This, our 'stage 2' plan, is published every October it describes what we have done to deliver the Improvement Objectives we set in the previous year. The objectives described over the following pages were set by council in May 2016, this is our opportunity to report back on how we did.

Each one has been assessed using a six-point self-evaluation framework based on the evidence of the progress and impact made. The Improvement Plan 2015/17 introduced a more prescriptive approach to defining our performance level. These descriptions are shown in the table below and have been used to inform the assessment in this plan. A summary of our assessment against each of the improvement objectives that clearly states the evidence used to inform the level allocated is provided with a more detailed assessment of progress following.

Level	Definition	Table 1: Description
6	Excellent	Excellent or outstanding – All performance measures will have achieved the target set and all actions will have been delivered.
5	Very Good	Major strengths – A significant majority of actions and measures are on track. No more than one or two falling short.
4	Good	Important strengths with some areas for improvement – The weight of evidence shows that successes are greater than the areas which have not been achieved.
3	Adequate	Strengths just outweigh weakness – The evidence of success marginally outweighs areas which are not on track. Some actions are behind schedule and some measures are falling short of planned targets.
2	Weak	Important weaknesses – The majority of measures and actions have not been achieved.
1	Unsatisfactory	Major weakness – In most areas performance is assessed as moving in the wrong direction and the vast majority of actions have not been delivered

Monmouthshire County Council has four select committees that scrutinise the effectiveness of council services and help the cabinet formulate policy. Throughout the year they examine the performance of services. This includes scrutinising progress against our Improvement Objectives during the year. You can access the reports presented throughout the year on the council's website at www.monmouthshire.gov.uk/your-council

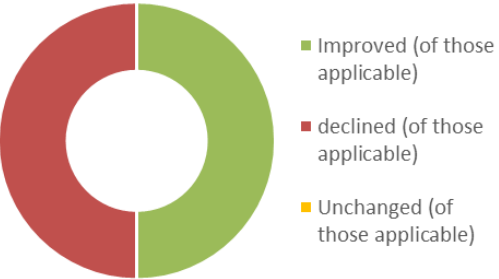
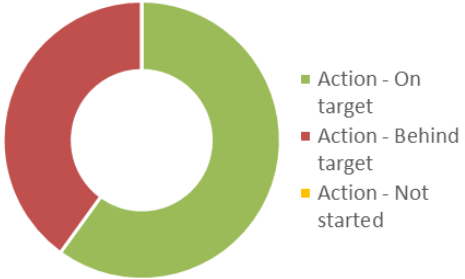
Improvement Objective template explained

Each of our objectives have been set out in a standard template, below is an explanation of why we include each section to help you understand how they all connect together and how the information is used to inform the score.

MCC Improvement Objective:		This sets the aim or goal of what we want to achieve over the medium term. The actions set out below will contribute to this.			
Council Priority: Single Integrated Plan Outcome:		This sets out the Council priority and also the Single Integrated Plan priority that the objective supported			
Why have we chosen this?		This describes the reason why we have chosen to focus our time and resource on this objective.			
Well-being goal contributed to:		This explains how the improvement objective will contribute to the achievement of the National well-being goals.			
Overall Impact score					
This summarises the score using the evaluation criteria set, based on the evidence of our performance in the year, 2016/17, as set out in the following sections.					
What will we do?	Timescale/ milestone	How we will measure success	What have we done?	What difference has it made?	Progress
This sets the action we planned to take that will contribute to delivering the improvement objective set.	This sets the timescale we will deliver the action in. Sometimes actions will be longer than within the year the improvement plan is set.	This sets the milestones and/or performance indicators we will use to help understand the progress we have made.	This describes the progress we have made in delivering the action.	This describes the impact the action has made in contributing to the delivery of the Improvement Objective. This will link to quantitative and qualitative evidence, including, as relevant, some of the performance indicators, we set under the “How will we know the difference it has made?” section and the difference it will make as anticipated in our original plan.	This provides a summary of overall progress of the action considering the evidence provided.

How will we know the difference it has made	2014/15	2015/16	2016/17 Target	2016/17 Actual	Trend
<p>The performance indicators in this section focus on the output or number of things we have done, the quality and effectiveness of things we have done and the performance compared to previous years. Targets are set for the current year to set the improvements we are aiming for. These indicators sometime relate to, more than one of our actions and are more focused on quantifying progress towards the improvement objective as a whole</p>					
Partners we are working with?					
<p>We cannot make all the improvements on our own. This section sets out partners we are working with to deliver the actions set out above.</p>					

Improvement Objective 1

MCC Improvement Objective:	We will improve at all key stages of education
Council Priority: Single Integrated Plan Outcome:	Education We will improve at all key stages of education
Why have we chosen this?	Education is one of the four priorities for the council. We are working to improve performance at all key stages. While at a headline level our key stage results are amongst the best in Wales we still need to raise standards across all key stages of education for all pupils.
Well-being goal contributed to:	A prosperous Wales – Developing a skilled and well educated population A more equal Wales – A society that enables people to fulfil their full potential.
Overall Impact score	
<p data-bbox="103 730 136 911" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 181</p> <p data-bbox="219 619 421 651">Indicator Trend</p>  <p data-bbox="219 1010 421 1042">Action progress</p> 	<p data-bbox="723 592 1686 624">Level 4 Good - Important strengths with some areas for improvement</p> <p data-bbox="723 627 2045 730">The majority of actions have been completed on time or are scheduled to be completed with revised timescales, exam results from the 2015/16 academic years showed some key stage indicators have improved and are on target or missed the target set, while others have seen a decline in performance.</p> <p data-bbox="723 762 2107 1026">The local authority continues to work with the Education Achievement Service (EAS) to raise standards of education. The Gap in attainment between pupils not eligible and those eligible for Free School Meals has narrowed in key stages 2 & 3 but has widened at Foundation phase and key stage 4. Work continues to increase the proportion of pupils with statements of special educational learning needs accessing or receiving education within main-stream settings. The authority has established an external reference group, which is an informal continuation of the Estyn recovery board process. The group provides challenge to ensure the Council has a consolidated process in place to continue and maintain our improvement in identified areas.</p> <p data-bbox="723 1066 2107 1169">The ICT investment programme for schools is nearing completion so that schools can maximise the impact of technology for learning and development. Caldicot and Monmouth school builds remain on target for the revised schedules.</p>

What will we do?	Timescale/ milestone	How we will measure success	What have we done?	What difference has it made?	Progress
<p>Continue to raise standards across all key stages of education for all pupils, particularly in relation to literacy, numeracy and closing the gap in key stage performance between pupils receiving free school meals and those who do not.</p>	<p>Jun 2017</p>	<p>Measure: Percentage of schools in the top free school meal benchmark quartile across all key stages</p> <p>Measure: Percentage of pupils achieving the core subject indicator at all key stages i) not eligible for free school meals and ii) eligible for free school meals.</p> <p>Measure: Percentage of pupils achieving key Stage 4 level 2 threshold including English and maths</p>	<p>The local authority continues to work with the Education Achievement Service (EAS) to raise standards of education.</p> <p>An EAS Business Plan was agreed for 2016-2019 which sets out four priorities for the service and a programme of work to achieve these was set out in detail for 2016-17 and will be reviewed for future years. For Monmouthshire this set the high level targets for pupil outcomes and pupil attendance, specific support that will be provided to schools requiring enhanced support and any bespoke Local Authority intervention programmes.</p> <p>The business plan has been reviewed and the plan covering the next three year period, 2017-2020, was endorsed by Cabinet in March 2017.</p>	<p>Performance in 2016:</p> <p>Foundation Phase Performance for all pupils in the Core Subject Indicator (CSI) saw a minimal, 0.1 percentage point, decline to 91.7% and moved up to be ranked 1st in Wales.</p> <p>The FSM attainment gap widened from 10.0 to 17.3 percentage points.</p> <p>In 2016 20% (6) schools were in the top free school meal benchmark quartile, a slight decline from (23%) in 2015.</p> <p>Key stage 2: Performance for all pupils in the Core Subject Indicator (CSI) improved to 94.1% and remained ranked 1st in Wales.</p> <p>The FSM attainment gap narrowed from 11.9 to 9.7 percentage points.</p> <p>In 2016 30% (9) schools were in the top free school meal benchmark quartile, a slight decline from (32%) in 2015.</p> <p>Key stage 3: Performance for all pupils in the Core Subject Indicator</p>	<p>Some key stage indicators are on target and others are behind target</p>

				<p>(CSI) improved to 91.9% and dropped to 3rd place in Wales from 2nd place last year.</p> <p>The FSM attainment gap narrowed from 31.3 to 21.5 percentage points. In 2016 no schools were in the top free school meal benchmark quartile, a decline from 1 (25%) in 2015.</p> <p>Key stage 4: Performance for all pupils at key Stage 4 level 2 threshold including English and maths in 2016 is 67.0% an improvement of 0.1 percentage points. Monmouthshire was ranked 3rd place in Wales a drop from 1st place last year.</p> <p>The FSM attainment gap widened from 31.6 to 41.2 percentage points. In 2016 1 school (25%) was in the top benchmark quartile</p>	
Increase the proportion of pupils who have a statement of special educational learning needs, accessing or receiving education within main-stream settings.	March 2017	Measure: The percentage of pupils with ALN educated in mainstream education settings within the county	Work progresses with schools to improve capacity to support pupils with ALN within main stream settings.	Work continues to increase the proportion of pupils with additional learning needs accessing or receiving education within main-stream settings. Currently the percentage of pupils with a statement of special educational learning need educated in mainstream education setting (including in Special Needs Resource	On target

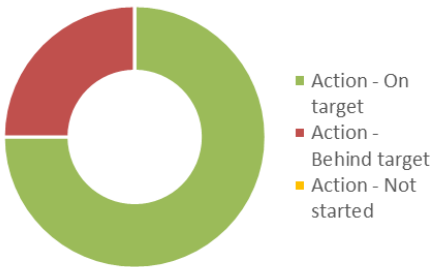
				Bases) within the county is 70.95%.	
Engage a critical friend to help the authority continue to improve on the performance elements identified in the latest Estyn inspection	March 2017	Milestone: we will have a consolidated process in place to continue and maintain our improvement	The authority has established an external reference group, which is an informal continuation of the Estyn recovery board process. The group provides support to the children and young people directorate to continue to improve on the performance elements identified in the latest Estyn inspection and children's services on its improvement plan.	The group provides challenge to ensure the Council has a consolidated process in place to continue and maintain our improvement in identified areas.	On target
Invest in ICT so that schools can maximise the impact of technology	December 2016	Milestone: Implement phase 1 of the ICT in schools to upgrade equipment and infrastructure as well as implement SIMS in the classroom.	<p>A comprehensive Service Level Agreement with the SRS and schools commenced in April 2016.</p> <p>A separate programme for the upgrade of the schools ICT infrastructure was approved by Council.</p> <p>The first phase of the investment programme upgrading broadband and teachers infrastructure is completed, this was behind the original schedule due to further cabinet and council approval required to proceed with the investment as not all schools had signed up to the SLA.</p> <p>Phase 2 of the investment programme - migration of schools data and information storage – has been completed for 90% of</p>	<p>The investment programme has a priority plan and has been sequenced to cover schools with the poorest quality of ICT infrastructure first but at the same time enable schools further down the list to see some benefits early on.</p> <p>The investment programme will provide all schools with a 100mb data line which can also be used for voice data. This is a vast improvement on the previous lines that ran to primary schools.</p> <p>The existing Wi-Fi capabilities of the school buildings are being upgraded to ensure there is good Wi-Fi connectivity across the school. The SRS have prioritised the replacement of teaching</p>	Behind original target

			<p>schools as at May 2017. The programme is due to be completed, reviewed and closed by September 2017.</p>	<p>equipment to enable SIMS in the classroom to be rolled out. This has been completed for all schools with the benefits that teachers can access SIMS information from anywhere in the school and when working remotely.</p> <p>All teaching equipment has been upgraded for all schools signed up to the SLA, and 90% of student laptops have been upgraded or replaced. A project close down and evaluation will be completed in September 2017</p>	
<p>Build and refurbish our school estate as prioritised so they are fit for learning and teaching.</p>	<p>Current timescales: Caldicot - September 2017</p> <p>Monmouth Comprehensive – July 2018</p>	<p>Milestone: New secondary schools in Caldicot and Monmouth</p>	<p>A 6 month process of value engineering at both Caldicot and Monmouth schools has been completed and revised construction costs agreed. Council agreed in October 2016 to approve an additional funding requirement of £11.9 million for the delivery of the programme to be financed by a 50% contribution from Wales Government and 50% from the Council.</p> <p>The completion date for occupancy of the new school in Caldicot remains September 2017 with a further 6 months of demolition and reinstatement of the external environment.</p>	<p>The impact of the new schools at Caldicot and Monmouth have on teaching and learning can't be evaluated until their final completion and occupancy.</p> <p>Stakeholders have been engaged through the build processes to ensure the schools reflect requirements as far as possible.</p>	<p>The builds remain on target for the revised schedules</p>

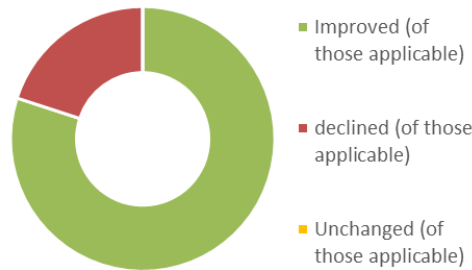
Main construction works on site for the new school in Monmouth have commenced. The main build is due to complete in July 2018 with a further 6 months of demolition and reinstatement of the external environment.

How will we know the difference it has made	2014-15 (13-14 Academic)	2015-16 (14-15 Academic)	2016-17 Target (15-16 Academic)	2016-17 Actual (15-16 Academic)	Progress
The percentage of pupils achieving the Foundation Phase indicator: i) Pupils not eligible for free school meals ii) Pupils receiving free school meals	i) 92.2% ii) 82.6%	i) 92.9% ii) 82.9%	i) 92.8% ii) 81.0%	i) 93.9% ii) 76.6%	i) Improved/ met target ii) Declined/ missed target
The percentage of pupils achieving the Key Stage 2 Core Subject Indicator: i) Pupils not eligible for free school meals ii) Pupils receiving free school meals	i) 92.2% ii) 70%	i) 93.8% ii) 81.9%	i) 94.0% ii) 88.1%	i) 95.3% ii) 85.6%	i) Improved/ met target ii) Improved/ missed target
The percentage of pupils achieving the Key Stage 3 Core Subject Indicator: i) Pupils not eligible for free school meals ii) Pupils receiving free school meals	i) 86.9% ii) 66.3%	i) 93.6% ii) 62.3%	i) 95.3% ii) 78.9%	i) 94.6% ii) 73.1%	i) Improved/ missed target ii) improved/ missed target
The percentage of all pupils achieving Key Stage 4 Level 2 Threshold including English or Welsh and Maths i) Pupils not eligible for free school meals ii) Pupils receiving free school meals	i) 70.6% ii) 25%	i) 71.0% ii) 39.4%	i) 75.4% ii) 40.7%	i) 72.2% ii) 31.0%	i) Improved/ missed target ii) Declined/ missed target
Percentage of schools in the top free school meal benchmark quartile across all key stages i) Foundation Phase ii) Key Stage 2 iii) Key Stage 3 iv) Key Stage 4 level 2 inclusive	i) 35% ii) 16% iii) 0% iv) 25%	i) 23% ii) 32% iii) 25% iv) 50%	i) 30% ii) 40% iii) 50% iv) 50%	i) 20% ii) 30% iii) 0% iv) 25%	i) declined/ missed target ii) declined/ missed target iii) decline/ missed target iv) decline/ missed target
Partners we are working with?					
Education Achievement Service (EAS) and The Welsh Government.					

Improvement Objective 2

MCC Improvement Objective:	We will safeguard people, whether young or old, while reducing peoples dependence on social care
Council Priority: Single Integrated Plan Outcome:	Safeguarding vulnerable people Families are supported & older people are able to live their good life
Why have we chosen this?	Protecting the vulnerable is one of our four priorities. In the current financial and demographic context if we don't find ways to support people to find better solutions we will end up rationing services and only intervening in crisis situations. The human cost of failing to have the right conversations at the right time includes young people placed in institutional placements away from home and older people experiencing isolation and loneliness in their communities
Well-being goal contributed to:	A healthier Wales – A society in which people's physical and mental well-being is maximised A Wales of cohesive communities – Attractive, viable, safe and well-connected communities A more equal Wales - A society that enables people to fulfil their potential no matter what their background or circumstances
Overall Impact score	
<p>Page 187</p> <p>Action progress</p>  <ul style="list-style-type: none"> ■ Action - On target ■ Action - Behind target ■ Action - Not started 	<p>Level 4 Good - Important strengths with some areas for improvement</p> <p>The majority of actions have progressed as targeted and the majority of performance indicators have improved although most fell short of the targets we set.</p> <p>We introduced a relationship based approach to supporting people at home. This relationship-based approach plays a crucial role in managing complex situations and avoiding crisis as well as supporting the well-being of our teams. We have continued to develop place based approaches to sustaining and developing social capital which promote individual and community well-being. The number of adults requiring a traditional long-term care is broadly unchanged suggesting a stable position while the number of older people living in the county has increased.</p> <p>The authority has a clear grasp of what is important around safeguarding. We have an understanding of our strengths and our weak areas in ensuring safeguarding and have set a path to address the concerns. In 2016-17 the council received a statutory recommendation from WAO relating to safeguarding arrangements in the Kerbcraft scheme. Actions to address the findings were agreed by Council in March 2017.</p> <p>Our Children's Services Department are a year into a three year practice centred improvement plan. There has been an increase in the number of children looked after during 2016-17 from 130 to 133. This is set against a sharp rise in child protection registrations from 33 to 91 over the same period.</p>

Indicator Trend



People access social services through a lot of different routes. We now have greater clarity on all of the access points for our services. This enables us to offer preventative information, advice and assistance which helps people find options, other than traditional statutory services, to maintain their independence and well-being.

What will we do?	Timescale/ milestone	How we will Measure success	What have we done?	What difference has it made?	Progress
Redesign traditional social care services, in-line with the new Social Services and Well-being (Wales) Act.	March 2017	<p>Milestone: We will have commissioned a new approach to care at home</p> <p>Milestone: We will have re-provided the council's residential care for older people with dementia through an innovative partnership arrangement</p> <p>Milestone: Mardy Park will have been remodelling as an integrated community hub</p>	<p>We introduced a relationship based approach to supporting people at home.</p> <p>All 110 members of the council's care at home teams are now salaried and working in smaller clusters. We are continuing to work with independent providers of care at home through a series of workshops as part of an approach called Turning the World Upside Down.</p> <p>Initial meetings took place to scope the potential to develop a new residential home.</p> <p>Work on remodelling Mardy Park Resource Centre is complete. This has included capital investments, accommodation reviews, service developments and a staffing restructure.</p>	<p>A transactional approach based on task without a relationship will inevitably encourage dependency. The new approach focuses on consistency and knowing the person ordinarily. This relationship based approach plays a crucial role in managing complex situations and avoiding crisis as well as supporting the well-being of our teams.</p> <p>This is still at the planning stage. Early discussions have yet to result in an agreed option for residential care.</p> <p>Services have diversified to provide more choice and a hub that is better able to respond to what matters to the person. Staffing and leadership arrangements are proportionate and practice based. There is a clear platform for greater</p>	On Target

				integration across health, social care and the third sector.	
Develop place based approaches to sustaining and developing social capital which promote individual and community well-being and develop a targeted, evidence based model of early intervention and prevention in children's services.	March 2017	<p>Milestone: New approach to early intervention, prevention and well-being are in place.</p> <p>Measure: Number of adults requiring traditional long term social care</p>	<p>We have worked with our partners to identify shared purpose, shared outcomes and to optimise the funding streams we can use to achieve these.</p> <p>We have created an overview of the initial place-based team and how this will meet the principles of the Well-being of Future Generations and Social Services and Well-being Acts. We have recruited to all key posts</p>	<p>We now have a shared understanding of prevention and early intervention and the unifying feature of place. These will begin to impact on service users once the agreed changes are implemented and rolled-out.</p> <p>The number of adults requiring a traditional long-term care is broadly unchanged suggesting a stable position while the number of older people in the county increases.</p>	On-Target
Our whole authority safeguarding group will continue to provide leadership of safeguarding and ensure all parts of the council address the priority actions within the latest internal audit report.	March 2017	<p>Milestone: Safeguarding is a key strand of the council's service plans and contractual arrangements with other providers who care for children and adults</p> <p>Milestone: An audit report which demonstrates positive progress</p>	<p>Safeguarding is now an explicit section within all service plans. The authority's safeguarding group has senior officers from council services which ensures a high level of accountability. The scope has extended to include safeguarding of children and adults at risk. The revised Safeguarding Audit tool is launched to reflect this and will provide the council with a detailed quality assurance programme for each directorate covering safe recruitment, safeguarding training and operating practices in all settings. The work of the Whole Authority Safeguarding Group includes a comprehensive activity programme with schools, care professionals in the public and private sectors dealing with adults</p>	<p>The authority has a clear understanding of what is important around safeguarding. We have an understanding of our strengths and our weak areas in ensuring safeguarding and have set a path to address the concerns.</p> <p>The authority recognises the findings of the WAO report and actions to address the findings were agreed by council in March 2017.</p>	On-Target


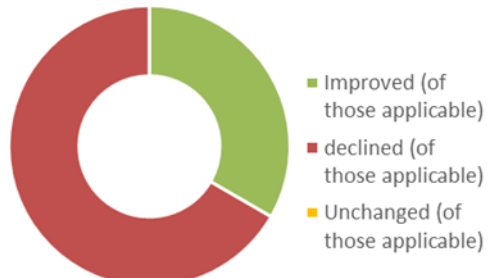
			<p>and children, volunteers and regional partners.</p> <p>In 2016-17 the council received a statutory recommendation from WAO relating to safeguarding arrangements in the Kerbcraft scheme</p>		
<p>Deliver practice improvements in Children's Services, stabilise and recruit a permanent workforce and develop a commissioning approach for looked after children</p>	<p>March 2018</p>	<p>Measure: A balanced budget in children's services</p> <p>Measure: A reduction in the use of agency staff</p> <p>Measure: Improved performance against new measures in the national performance framework.</p>	<p>Children's Services in a year into a three year practice centred improvement plan. An independent audit through IPC has indicated that the changes required are on track, but with a considerable programme of work ahead, together with some inherent vulnerabilities.</p> <p>We have developed an Admissions and Prevention Panel to ensure that any admission into care is appropriate and that an early return to family is facilitated where ever possible.</p> <p>We have developed a commissioning strategy which outlines our vision for children, young people and their families, while addressing key areas for development. This includes rebalancing towards families with more complex needs and edge of care services and expanding the availability of looked after children placements to meet the wide range of children we have in Monmouthshire.</p>	<p>The Admissions and Prevention Panel ensures that children and their families receive the appropriate support they need at the right time, to help them make the changes contained within the care and support plan. There has been an increase in the looked after population during 2016-17 from 130 to 133. This is set against a sharp rise in child protection registrations from 33 to 91 over the period.</p> <p>The total spend in Children's Services was £10.3m, over half of which relates to looked after children, in particular placements for looked after children. At year end Children's Services were £573k overspent.</p> <p>We now have greater clarity on our vision for children, young people and their families. This will enable us to commission and offer better, joined up early intervention and preventative services as well as</p>	<p>Behind original target</p>

			<p>The service has been restructured and permanent appointments made to key posts in early 2017. There has been a small reduction in the use of agency staff from 12 to 10 by the end of 2016-17.</p> <p>All measures in the new framework are now being reported. This gives us a clear baseline against which to measure future progress.</p>	<p>expanding the availability of looked after children placements.</p> <p>76% of children that the service works with are happy with the care and support they receive.</p>	
<p>We will review access points for our services to ensure people can access the information and advice they need to make decisions about their own lives</p>	Dec 2016	<p>Milestone: Clear approach to Information, Advice and Assistance (IAA) presented to Select and Cabinet</p> <p>Measure: The percentage of people who received advice and assistance and who have not needed to contact the service again</p>	<p>We have undertaken a snapshot of the entry-points for information, advice and assistance (IAA) across the county. This is much broader than council services. The approach was presented to Select Committee on 22nd November 2016.</p> <p>We are now measuring the impact of this approach using the national framework.</p>	<p>We now have greater clarity on our access points. This enables us to offer preventative information, advice and assistance which diverts people from statutory services.</p> <p>76.6% of the people who accessed information, advice and assistance at the front-door did not need to contact the organisation again within six months.</p>	On-Target

How will we know the difference it has made	2014-15	2015-16	2016-17 Target	2016-17 Actual	Progress
Number of people aged 18 and over receiving a service (revised measure as existing measure has been dropped from national reporting framework)	2,838	2,836	Not set	2,696	Improved/ target not applicable
Percentage of adults receiving social care who are satisfied with the service	93%	93%	95%	85% (revised question)	Declined/ missed target
Percentage of reviews of children on the child protection register that were carried out on time	95.5%	93.0%	100%	97.0%	Improved/ missed target
Percentage of referral decisions to children's services made within one day	99.6%	98%	99.2%	98.1%	Improved/ missed target

The number of agency staff working in children's services	6	12	3	10	Improved/ missed target
Partners we are working with?					
Gwent Police, Aneurin Bevan University Health Board, Gwent Association of Voluntary Organisations, other local authorities in Gwent, Welsh Government					

Improvement Objective 3

MCC Improvement Objective:	We want to enable our county to thrive
Council Priority: Single Integrated Plan Outcome:	Supporting business & job creation Business and enterprise
Why have we chosen this?	This objective aligns closely with the single integrated plan for Monmouthshire. To create better employment prospects we need to develop and promote an enterprising culture, which builds business resilience and creates excellent outcomes for our communities. For our county to thrive we need to continue to work with our residents, invest in communities and base our delivery on 'what matters' to people in their communities.
Well-being goal contributed to:	A prosperous Wales – Focussing on using resources efficiently, developing skills and an economy which generates wealth and provides employment. A Wales of vibrant culture and thriving Welsh language - A society that promotes and protects culture, heritage and the Welsh language. A resilient Wales - A natural environment supporting social, economic and ecological resilience.
Overall impact	
<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="margin-bottom: 20px;"> <p>Action progress</p>  <ul style="list-style-type: none"> ■ Action - On target ■ Action - Behind target ■ Action - Not started </div> <div> <p>Indicator Trend</p>  <ul style="list-style-type: none"> ■ Improved (of those applicable) ■ declined (of those applicable) ■ Unchanged (of those applicable) </div> </div>	<p>Level 3 Adequate - Strengths just outweigh weakness</p> <p>Most actions have progressed as targeted although a couple are behind the milestones set, while a few indicators have not improved and/or not met the target set.</p> <p>In January 2017 Monmouthshire County Council approved the next steps of the of the Cardiff Capital Region (CCR) City Deal. Subsequently the leaders of the ten local authorities within the CCR signed the City Deal document following universal support from all ten councils for the programme.</p> <p>A draft CIL charging schedule has been developed, the implementation of CIL has been deferred pending the outcome of legislative changes at the UK Government level. The latest annual monitoring report of the LDP (2015/16) recommends an early review of the LDP, and concludes that while good progress has been made in implementing many of the plan's policies and overall the strategy remains sound, a number of key housing provision policy targets are not being met.</p> <p>Public realm improvement works in Abergavenny town centre have been completed as has the Caldicot town centre linkage scheme.</p> <p>In total 140,297 people attended the Monmouthshire & District Eisteddfod. In 2016 there was an increase in the total economic impact of tourism in the county to £190.05 million. Monmouthshire business and enterprise have continued to support businesses. Assistance from Monmouthshire Business Enterprise and partners has helped safeguard 77 jobs in 2016/17.</p>

What will we do?	Timescale/ milestone	How we will measure success	What have we done?	What difference has it made?	Progress
<p>Maximise the potential for Monmouthshire to contribute to and benefit from the creation of the Cardiff Capital Region (CCR) City Deal.</p>	<p>March 2017</p>	<p>Milestone: Council decision on signing up to the city deal</p>	<p>In January 2017 Monmouthshire County Council approved the next steps of the Cardiff Capital Region (CCR) City Deal.</p> <p>Subsequently the leaders of the ten local authorities within the CCR signed the City Deal document following universal support from all ten councils for the programme.</p> <p>The Cardiff Capital Region City Deal Project Board have agreed that individual Leaders would take responsibility for a “theme” of the proposed deal. Monmouthshire, in conjunction with the Leader of Torfaen Council are leading on the Investing in Innovation and the Digital Network.</p> <p>Monmouthshire County Council is currently leading on the establishment of a £400million world leading Compound Semiconductor Cluster.</p>	<p>The £1.2bn City Deal for the CCR represents a significant opportunity for the region as a whole and Monmouthshire. It will mean the CCR is able to make strategic investments in programmes that will have a material and measurable impact on the city-region economy, as well as enable the implementation of devolved powers which will allow the region to exert greater influence over its economic future.</p>	<p>On target</p>
<p>Implement Community Infrastructure Levy (CIL) and continued implementation of the Local Development Plan (LDP) framework</p>	<p>CIL adoption - Winter 2016 (Subject to examination).</p>	<p>Milestone: Community Infrastructure Levy examination, adoption and implementation commenced.</p>	<p>A draft CIL charging schedule has been developed and was consulted on between 24th March and 5th May 2016. Following the consultation the next stage is to prepare the CIL charging schedule for submission for independent examination. However, a national CIL Review has suggested fundamental changes to the CIL process. The implementation of CIL has therefore been deferred</p>	<p>The money generated from CIL can be used to fund a wide range of infrastructure that is needed to support growth in the area, including things such as community facilities, education and transport improvements.</p> <p>The completion of the Annual Monitoring complied with the statutory requirement and provided</p>	<p>Annual Monitoring report and SPG delivered on target.</p> <p>CIL adoption behind target</p>

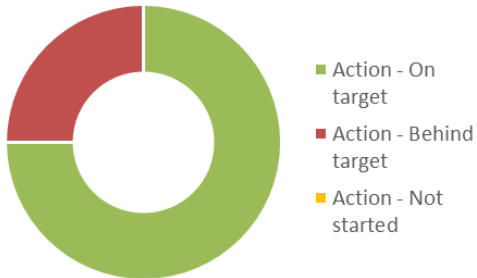
			<p>pending the outcome of legislative changes at the UK Government level.</p> <p>A primary shopping frontages Supplementary Planning Guidance (SPG) has been completed and adopted. SPG provides clear and consistent detailed procedural framework for the delivery of LDP policy requirements for all plan users</p> <p>The 2015/16 Annual Monitoring Report of the LDP has been completed and reported to Planning Committee and to Cabinet to meet WG deadline and a decision was made to commence an LDP review.</p> <p>The 2015-16 Annual Monitoring Report concluded that while good progress has been made in implementing many of the Plan's policies and overall the strategy remains sound, a number of key housing provision policy targets are not being met. In 2015/16:</p> <ul style="list-style-type: none"> - Monmouthshire had 4.1 years housing land supply, below the 5 year supply required. - 234 new dwelling completions (general market and affordable) were recorded, below the identified LDP target of 488 completions per annum. 63 affordable dwelling completions were recorded, below the 96 per annum target. 	<p>monitoring data to feed into the evidence based LDP review.</p> <p>The latest annual monitoring report (2015/16) recommends an early review of the LDP as a result of the need to address the shortfall in the housing land supply and facilitate the identification and allocation of additional housing land. As there are no concerns with other Plan policies at this stage it is not considered necessary to review other aspects of the Plan at this time.</p>	
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<p>Deliver environmental improvements in Caldicot and Abergavenny town centre.</p>	<p>Abergavenny – September 2016 (Loan Funding) Caldicot - Ongoing</p>	<p>Measure: Amount of loan scheme funding allocated in Abergavenny Town Centre¹ Measure: Vacancy Rate Abergavenny town Centre Measure: Vacancy Rate Caldicot town centre</p>	<p>A recyclable loan scheme of £1.25 million, funded under the Welsh Government's 'Vibrant and Viable Places' initiative, was established to help bring back to life underutilised and redundant sites and buildings in Abergavenny town centre. Applications for the £1.25m loan scheme were open until September 2016. One project was allocated £91k loan funding under the scheme. This loan effectively becomes the loan 'pot' into which the monthly repayments are made that in turn allow future projects applying for over £5k of loan funding to be met, providing the 'pot' has sufficient repaid funding available.</p> <p>£1million worth of public realm improvement works in Abergavenny town centre were completed in time for the National Eisteddfod.</p> <p>In May 2016 cabinet approved section 106 funding for three projects being undertaken by Caldicot Town team; Caldicot Visioning Project, improvements to Caldicot market and town Centre Wifi Project.</p> <p>Cabinet approved additional costs for the Caldicot town centre linkage scheme, which was completed in June 2017</p>	<p>The loan scheme supports projects that increase the availability of accommodation, service and leisure provision in the town. The take up of loan funding was low with the scheme not appealing to businesses in Abergavenny.</p> <p>The improvement works have improved the street environment in Abergavenny benefiting residents, traders and visitors</p> <p>The linkage scheme will provide physical improvements to the town centre environment and potential to improve the pedestrian footfall into the town centre.</p> <p>In the most recent survey (2016) of vacant ground floor properties in the Central Shopping areas: Abergavenny town centre had 24 vacant units, constituting 8.7% of outlets, an increase from 16 units (5.8%) in 2015. The vacancy rates in primary frontages has decreased, the notable increase in vacancy levels has been seen in secondary frontages.</p> <p>The 2016 survey showed Caldicot town centre had 7 vacant units, Constituting 10.1% of outlets an increase from 5 units (7.6%) in 2015. Both primary and secondary vacancy rates had slight increase.</p>	<p>Behind targets of measures of success set</p>
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<p>Maximise the potential from hosting the National Eisteddfod in Monmouthshire</p>	<p>August 2016</p>	<p>Measure: Total income generated from tourism in Monmouthshire per year</p>	<p>The national eisteddfod took place in Abergavenny from 29th July to 6th August 2016 celebrating music, language and culture. The event was supported by a range of services across the council.</p> <p>On the Maes a Love Monmouthshire/Caru Sir Fynwy pavilion was set up displaying the best of the county's arts, crafts, culinary skills and sports. Including a sports Give It a Go Zone, the Vale of Usk Country Kitchen showcasing the best of the region's food and cookery, and a main staging area where a range of activities took place</p> <p>The evaluation report of the 2016 Monmouthshire and District Eisteddfod praised how the council and the areas communities worked to ensure that the celebration of Welsh language and culture was a huge success.</p>	<p>In total 140,297 people attended the Monmouthshire & District Eisteddfod, which compares favourably with recent Eisteddfods.</p> <p>A series of community networks have been established and the community raised £200,000 towards the cost of hosting the eisteddfod. Volunteer ambassadors from the eisteddfod are now being encouraged to be involved within the Monmouthshire volunteering programme.</p> <p>The STEAM report on Monmouthshire's Tourism Performance across the County in 2016 shows an increase in total economic impact of tourism to £190.05 million. There has been an increase in day visitors but a slight decrease in staying visitors. The staying visitor drop is a slight fall back from a very good 2015 and the numbers are still up on 2014 levels.</p>	<p>On target</p>
<p>Continued delivery and development, working with partners, of the Monmouthshire Business and Enterprise business support package including; support, signposting, training and events.</p>	<p>On going</p>	<p>Measure: The number of new business start-ups supported.</p>	<p>Monmouthshire business and enterprise have continued to advise and support pre start and existing businesses and potential inward investors and have engaged with chambers of commerce on issues of concern to local businesses; which during last six months have been focussed on business rates revaluations. In 2016/17 97 businesses were assisted by Monmouthshire Business and</p>	<p>Assistance from Monmouthshire Business Enterprise and partners helped safeguard 77 jobs in 2016/17.</p> <p>The business awards promoted new and existing business success and Monmouthshire as the place to set up business.</p>	<p>On target</p>

			Enterprise and/or referred on to partners. The fourth Monmouthshire Business Awards took place in October 2016.				
How will we know the difference it has made			2014-15	2015-16	2016-17 Target	2016-17 Actual	Trend
Total income generated from tourism per year ²			£173.15 million	£186.65 million	+1%-2%	£190.05 million (+ 0.5%)	Improved/ missed target
Amount of loan funding allocated under the Abergavenny Town Centre Loan Scheme			N/A	£0	£1.25 Million	£91,000	Trend Not applicable/ missed target
Number of new business start-ups where assistance was provided by Monmouthshire Business and Enterprise and Partners			122	58	75	Not available ₃	Not available
Overall Vacancy rates in Abergavenny town centre ⁴			5.1% (14 Units)	5.8% (16 Units)	5.8%	8.7% (24 units)	Declined/ missed target
Overall Vacancy rates in Caldicot town centre ⁵			9.2% (6 units)	7.6% (5 units)	7.6%	10.1% (7 units)	Declined/ missed target
Partners we are working with?							
Community and Town Councils, local citizens, local community groups, CCR partner local authorities, UK government, Welsh Government, National Eisteddfod and businesses along with national and international organisations.							

Improvement Objective 4

MCC Improvement Objective:	Maintaining locally accessible services
Council Priority: Single Integrated Plan Outcome:	Maintaining locally accessible services People have good access and mobility and People protect and enhance the environment
What the Single Integrated Plan identifies that we will contribute to:	For people to have good access and mobility, we need: <ul style="list-style-type: none"> • To ensure rural communities have good access to services To enhance our environment, we need: <ul style="list-style-type: none"> • To enable people to enjoy more of Monmouthshire • To produce less waste and recycle more
Why have we chosen this?	Maintaining local access to services is crucially important to us, we will work hard to be effective in delivery of our services. The political administration's Continuance Agreement 2015-17 makes it clear that while there are tough choices to be made in the next couple of years the council will seek to ensure all valued services survive whether they are best placed to be provided by the council or other organisations.
Well-being goal contributed to:	A Wales of cohesive communities - Attractive, viable, safe and well-connected communities. A prosperous Wales – Focussing on using resources efficiently, developing skills and an economy which generates wealth and provides employment. A resilient Wales - A natural environment supporting social, economic and ecological resilience
Overall Impact	
<p>Page 109</p> <p>Action progress</p>  <ul style="list-style-type: none"> ■ Action - On target ■ Action - Behind target ■ Action - Not started 	<p>Level 4 Good - Important strengths with some areas for improvement</p> <p>Most actions have progressed in line with the milestones set and performance indicators have seen performance improve and most met targets set.</p> <p>An Outline Business Case (OBC) for Leisure, Tourism, Culture and Youth Services has been completed and options agreed to advance the OBC and produce the final Full Business Case.</p> <p>A trial involving approximately 6500 households on the separate collection of glass in a recycling box was completed, the trial results have been analysed and the future configuration of the recycling service agreed.</p> <p>Applications continue to be invited for projects in line with the 5 themes of the Rural Development Plan (RDP). In total 19 projects have been approved by the Local Action Group. As the projects are mainly still in the infancy of their funding period outputs reported through the RDP LEADER Performance Framework are low so far.</p>

Indicator Trend



- Improved (of those applicable)
- declined (of those applicable)
- Unchanged (of those applicable)

Community Hubs, combining One stop shops and library services have been established in Caldicot, Chepstow, Monmouth and Usk, with work continuing to establish a community hub in Abergavenny, which is behind the original timescale.

What will we do?	Timescale/ milestone	How we will measure success	What have we done?	What difference has it made?	Progress
Ensure that tourism, leisure, culture services and the Youth Service can continue to prosper by being delivered in a different way.	October 2016 Draft Business Plan requiring Political approval	Milestone: Option appraisal completed Milestone: Business plans considered via council process	<p>An independent option appraisal for the Leisure, Tourism, Culture and Youth Services has been completed and presented to a joint select Committee on 19th September.</p> <p>The option appraisal including scrutiny's conclusions was presented to cabinet in October 2016 who approved the next stage of the project to develop a full Business Case and to continue the staff, community and service user consultation process.</p> <p>An Outline Business Case (OBC) was presented to Council in March 2017 and options agreed to advance the OBC and produce the final Full Business Case for consideration as soon as politically possible. The OBC explains the background to the proposal and sets out the Strategic, Financial, Economic, Commercial and Management case in support of the</p>	<p>The purpose of the proposed new Delivery Option is to ensure much valued local services are maintained to contribute to the wellbeing of their local community.</p> <p>It aims to enable services to be kept open but with more community focus and coordination.</p>	On target

			proposal, with the key focus on the financial viability of the proposal.			
Page 201	Undertake a 6 month pilot on separating glass at kerbside.	March 2017	<p>Milestone: Pilot review completed and results of the review reported</p> <p>Measure: Recycling rate</p> <p>Measure: Landfill rate</p> <p>Measure: Waste to energy rate</p>	<p>The separate collection of glass in a recycling box trial commenced in September 2016. Approximately 6500 households were included in the trial including parts of Abergavenny, Gilwern and Govilon, Llanellen, Goytre, Little Mill and Llanybi.</p> <p>The trial allowed the service to assess whether there were financial, environmental and also community benefits from changing the way recycle was collected.</p> <p>On completion of the trial the results have been analysed and reported to Strong Communities select in January 2017 and Council in March 2017, who agreed the future configuration of the recycling service for the next 7 years, including that glass is collected fortnightly in a separate container.</p>	<p>Separating glass will improve the quality of our recycling. The glass can then be reprocessed locally and this will reduce the overall cost of our recycling service.</p> <p>The provisional 2016/17 performance data for waste is: The recycling rate is 68.72%, which is above the Council's targeted level of 66% and close to the Welsh recycling target for 2025 of 70%. The landfill rate continued to decrease to 0.85% and waste used for heat and power has increased to 30.15%.</p> <p>This is largely due to the continued cooperation of residents. Along with a few other factors including energy recovery of all of Monmouthshire's residual household waste at an energy-from-waste plant.</p>	On target
	Continue to identify projects as part of the Vale of Usk Rural Development Plan (RDP) LEADER programme for the 2014-2020 funding period. ⁶	On-going	<p>Milestone: Local Action Group agree the projects that will be funded.</p> <p>Measure: Number of LEADER projects supported⁷</p> <p>Milestone: Outcomes achieved.</p>	<p>Applications continue to be invited for projects in line with the 5 themes of the RDP.</p> <p>Various communication channels continue to be used to promote applications including Facebook and Twitter accounts.</p> <p>In total 19 projects have been approved by the Local Action Group totalling £432,000 of RDP funds committed. The actual spend remains low as projects start to be delivered. This will increase rapidly as the</p>	<p>As the projects are mainly still in the infancy of their funding period outputs reported through the RDP LEADER Performance Framework are low so far.</p> <p>Examples of some approved projects include: Energy days; Monmouthshire Community Climate Champions have pulled together a series of Energy Days to mark EU Sustainable Energy Week Digital Open Badges; to develop a digital evaluation tool which will deliver training, measure competencies and offer a platform for enhanced</p>	On target

			programme develops. Further projects are currently being worked on to bring them to full application stage valued at circa £100,000.	development of digital skills. A Country Kitchen at the Eisteddfod, a broadband pilot in central Monmouthshire plus other smaller projects that can be viewed here			
Page 20	Establish a community hub in Abergavenny which brings together library and one-stop-shop services	March 2017	<p>Milestone: Completed consultation, achieved funding and statutory consents (planning & listed building). Commenced on site work.</p> <p>Community Hubs, combining One stop shops and library services have been established in Caldicot, Chepstow, Monmouth and Usk.</p> <p>The Abergavenny hub has been delayed due to the need to provide an alternative delivery venue. An outline business case has been developed which explores two possibilities identified by stakeholders, the Town Hall and the former Richards building on Frogmore Street. Initial plans and costs have been developed. These demonstrate that either building could accommodate the new hub facility.</p> <p>In September 2016 Council agreed that the preferred location for the development of the community hub is within the Town Hall, Abergavenny and agreed funding for the cost of finalising the detailed designs and business case. In the process of appointing a preferred design team to enable the completion of a final business case for members consideration by the end of 2017.</p>	Abergavenny is currently running stand-alone dual provisions, the development of the hub will allow Abergavenny to have consistent provision with the other towns in Monmouthshire and enable the achievement of their apportioned element of the revenue savings.	Behind original timescale		
How will we know the difference it has made			2014-15	2015-16	2016-17 Target	2016-17 Actual	Trend
Number of RDP LEADER programme projects supported ⁸			Not applicable	3	30	16	Trend not applicable/missed target

Percentage of municipal waste collected that is sent to landfill	18.1%	13.1%	6%	0.85%	Improved/ met target
Percentage of municipal waste that is prepared for reuse or recycled	63.2%	61.7%	66%	68.72%	Improved/ met target
The percentage of local authority municipal waste used to recover heat and power	16.9%	25.4%	28%	30.15%	Improved/ met target
Partners we are working with?					
Welsh Government, Newport City Council, The European Agricultural Fund for Rural Development, local citizens, local community groups, businesses and other Local Action Groups in Wales and England.					

Improvement Objective 5

MCC Improvement Objective:	We want to be an efficient, effective and sustainable organisation
Council Priority:	Being an efficient organisation helps us to maximise the impact on the council's priorities
Single Integrated Plan Outcome:	This objective helps us maximise our impact on delivering the vision of sustainable resilient communities
Why have we chosen this?	Alongside severe financial constraint as reflected in our Medium Term Financial Plan, we face changes in customer needs and expectations, together with challenges as a result of new technologies and regulatory and policy changes. We must continue to develop and implement processes and ways of working that will help us meet these challenges to maximise our chances of success and remain relevant to the citizens we serve.
Well-being goal contributed to:	This objective helps us maximise our impact and contribution to the seven well-being goals

Overall Impact

Level 3 Adequate - Strengths just outweigh weakness

Some actions have progressed as targeted however some have not made the progress originally set out in the objective. All indicators where trend is applicable have improved, some have not met the target set.

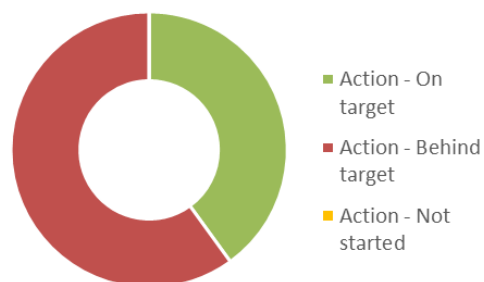
Overall for 2016/17 the net cost of services was overspent by 0.6% (£916,000). This is offset by underspends in other treasury functions resulting in an overall net revenue outturn underspend of £884,000. The percentage of mandated savings delivered in 2016/17 was 66% which is lower than in previous years.

Extensive work has been completed to collate and analyse information and data to produce the well-being assessment and population needs assessment which is being used to prepare plans for improving well-being in the county.

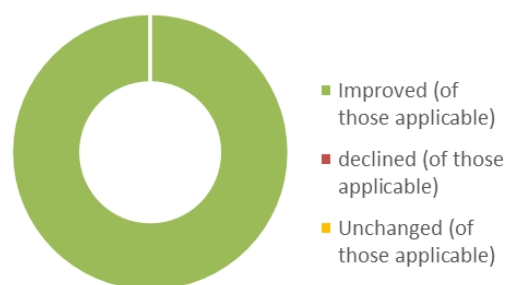
The Future Monmouthshire programme begun two inter-related pieces of work: a short-term focus on balancing the budget without taking action that will hamper our ability to contribute to the well-being of future generations and a longer term focus on the future of public services and understanding some of the problems we need to address. This will enable us to develop the future operating model for the authority.

The workforce delivery plan of the People and Organisational Development Strategy for 2016/17 has continued to be delivered including activity in priority areas on attendance management.

Action progress



Indicator Trend



What will we do?	Timescale/ milestone	How we will measure success	What have we done?	What difference has it made?	Progress
Deliver council services within the budget set for 2016/17.	ongoing	Measure: Delivery of the budget within a parameter of +/- 0.5%. Measure: Percentage of savings in the budget being delivered	<p>In January 2016 council agreed the Medium Term Financial Plan (MTFP) to set the 2016/17 budget. This includes £3.659 million of specific saving initiatives identified for 2016/17.</p> <p>Periodic monitoring was undertaken through the year with budget holders. The forecast revenue outturn position was reported quarterly to members. This included the latest pressures and savings proposals experienced during the year and the need to secure compensatory savings to mitigate adverse positions highlighted.</p> <p>Alongside this mandated budget savings were assessed to indicate whether savings are likely to be achieved or reasons explaining why they were delayed and next steps required. Where savings were deemed unachievable an alternative recovery plan was developed which presented alternative savings.</p>	<p>Overall for 2016/17 the council's finances show a net revenue outturn underspend of £884,000, an improvement of £805,000 on quarter 3 predictions. The net cost of services was overspent by 0.6% (£916,000). Given the complexity and volume of arrangements involved in the service budget process a 0.6% variance is in line with levels targeted. The over-spend in the net cost of services is offset by underspends in other treasury functions.</p> <p>The percentage of mandated savings delivered in 2016/17 is 66% (£2,414,000 of the £3,659,000 identified savings). £905,000 of savings were deemed unachievable, and a further £340,000 are expected to be delivered in future years. This is behind the target set.</p>	Behind target of measures of success set. Overall Council services delivered within budget for 2016/17
Produce a Population Assessment and Well-being Assessment in line with the Well-being of Future Generations Act and	March 2017	Milestone: Population Assessment and Well-being assessment complete.	The Well-being Assessment was endorsed by Council and approved by the Public Service Board (PSB) in March 2017. Extensive work was undertaken	These assessments provide the PSB, Council and Local Health Board with a much deeper evidence base and understanding of well-being in Monmouthshire. This will help	On target

<p>Social Services and Well-being Act</p>			<p>to complete the assessment, this includes:</p> <p>An extensive engagement exercise called “Our Monmouthshire”. Staff and PSB partners attended a wide-range of community events to share data and gather people’s views. More than 1400 responses were received.</p> <p>We have also been working with councils and other partners across Gwent to collate and analyse data sets to help us understand the social, economic, environmental and cultural wellbeing of the county.</p> <p>The Population Needs Assessment (PNA) has also been completed and approved by Council in March. The PNA dovetails with the Well-being Assessment and was developed through extensive engagement with the regional citizen panel, provider forum and regional executive director leadership group; as well as local groups such as youth forums, older people’s forums, carers groups and parenting networks.</p> <p>Engagement was also supported by the Council and PSB through the ‘Our Monmouthshire’ engagement exercise</p>	<p>them prepare rigorous plans and objectives for the county, facilitating them to look at the long term, consider what the evidence tells them about how to prevent problems from happening or getting worse, and involve other people with an interest in the well-being of the area.</p> <p>Informed by this the Council and health board have to prepare an area plan under the Social Services and Well-being Act setting out the range and level of services they propose to provide. The PSB, under the Future Generations Act, have to prepare a well-being plan for the county.</p> <p>These assessments have also informed the council’s well-being objectives, delivery of social care services and the Future Monmouthshire programme of work</p>	
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<p>Undertake a whole authority strategic programme of work to develop a new operating model for the council.</p>	<p>March 2017</p>	<p>Milestone: Business model, with clear workforce delivery requirements, agreed by Council</p>	<p>In May 2016 Cabinet commissioned a strategic programme of whole-authority work called 'Future Monmouthshire'.</p> <p>The programme has commenced with two inter-related pieces of work.</p> <p>The short-term focus has involved work across the whole authority to identify potential cost-reductions to ensure that the organisation can balance its budget across the next medium term financial plan without taking action that will hamper our ability to contribute to the well-being of future generations.</p> <p>The longer term focus is about re-imagining what public services could look like in the future and understanding some of the problems we need to address. This work is now incorporating the findings of the well-being assessment.</p>	<p>The work has already enabled teams to identify savings incorporated into the 2017-18 budget. Across the board, all service areas were asked to consider how their services would look within a range of reductions available to them, whilst simultaneously, looking ahead and ensuring wherever possible, proposals that support the medium term direction of travel.</p> <p>Future Monmouthshire will identify shifts and changes needed, and position the council as the key enabler in bringing them about. It will inform the development of a new business model for the council in order to equip it to meet its goals amidst increasing change and uncertainty.</p>	<p>Behind original timescale</p>
<p>Implement the Workforce Delivery Plan of the People and Organisational Development Strategy for 2016/17, including: continuing to review processes around the management of attendance, ensuring</p>	<p>March 2017</p>	<p>Milestone: Annual report evaluating progress of the workforce delivery plan Measure: Number of working days lost due to sickness absence</p>	<p>A People Services business plan was developed and acted upon to deliver the direction set in the People and Organisational Development Strategy and address concerns in the Corporate Assessment conducted by Wales Audit Office in 2015.</p>	<p>In April 2016 Wales Audit Office reviewed the Council's progress in addressing the proposal for improvement relating to human resource management and concluded "the Council has made good progress in planning, managing and engaging its workforce although further work remains to ensure that managers</p>	<p>Behind target of measures of success set.</p>

<p>we are delivering cost effective solutions to attendance problems</p>			<p>A summary of progress made includes: Human Resources officers have been working closely with managers in priority areas on attendance management including providing training and support, with routinely scheduled attendance management training available to all staff with management responsibility. The attendance and wellbeing policy has been reviewed and consulted on with managers and staff.</p> <p>To support workforce planning a workflow has been developed to enable service leaders to effectively focus on succession and workforce planning and directorates to develop plans for their workforce. People Services data dashboards covering key workforce information continue to be available on the council's intranet. To further improve the analysis and reporting of this information scorecards are being implemented which cover a range of workforce data including staff establishment, age, gender etc.</p> <p>Work continues to roll out, increase understanding and maximise completion of the staff appraisal process called Check-In, Check-Out (CICO), including</p>	<p>have better baseline workforce data and HR ICT provision and that all staff have their annual appraisal.”</p> <p>While it is still early for the full impact of some arrangements to be evaluated, in 2016/17 there has been a minor decrease in the sickness rate with an average of 11.5 working days/shifts lost per full-time equivalent (FTE) employee. This has stabilised following an increase in 2015/16 although is higher than the 10.8 targeted.</p> <p>An interim reporting system is in place to monitor completion rates and ensure accountability for completion. The latest data from December 2016 shows of completed returns from Managers 70% of staff that require a CICO have completed a CICO in the required timescales. 20% of those not completed were scheduled for completion</p>	
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			developing a more effective way of recording these discussions to inform workforce training and development.		
Take action in response to reports from our regulators.	ongoing	<p>Measure: Percentage of staff completing a performance appraisal</p> <p>Measure: Number of working days lost due to sickness absence</p> <p>Measure: Percentage of national performance indicators that are in the top quartile</p> <p>Measure: Percentage of national performance indicators that are improving (measures relate to some proposals from WAO reports)</p>	<p>During 2016/17 a number of audits have been completed by Wales Audit Office (WAO) including Corporate Assessment follow-on reviews on Performance Management, Governance, Human Resources and Information Technology. The Council has created action plans to set out responses to address relevant proposals in the reports that have been published which were reported to our Audit Committee.</p> <p>In 2016-17 the council received a statutory recommendation from WAO relating to safeguarding arrangements in the Kerbcraft scheme. Actions to address the findings were agreed by council in March 2017.</p> <p>In addition a number of proposals from reports issued in the previous years are still being addressed through the council's established proposal monitoring arrangement. The most recent update on progress was completed for audit committee in July 2017. These are mainly proposals issued since the</p>	<p>The latest Wales Audit Office Annual Improvement Report (AIR) published in August 2017 concludes "Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2017-18 providing it responds constructively and in a timely way to our statutory recommendations"</p>	On target.

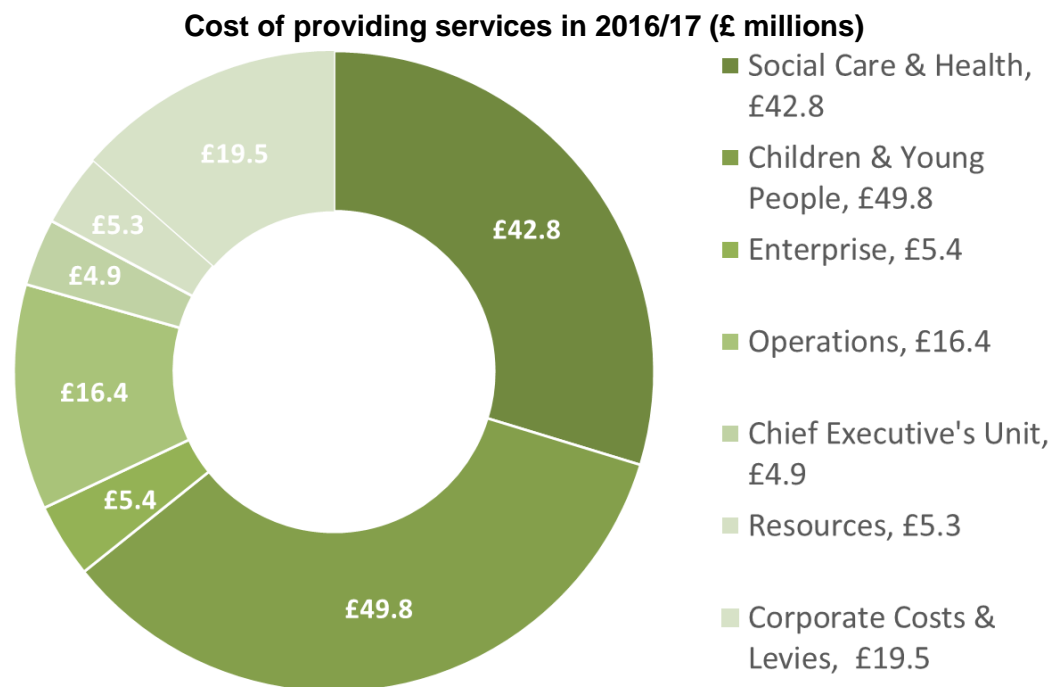
		Corporate Assessment undertaken in 2015.					
How will we know the difference it has made		2014-15	2015-16	2016-17 Target	2016/17 Actual	Trend	
Percentage revenue outturn expenditure against budget (over/underspend)		327k (0.2% overspend)	166k (0.1% overspend)	+/- 0.5%.	916k (0.6% overspend)	Not applicable/ missed target	
Percentage of budget savings delivered		93%	89%	100%	66%	Not applicable/ missed target	
Number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence		9.8	11.6	10.8	11.5	Improved/ missed target	
Percentage of staff that require a performance appraisal who have completed an appraisal		84%	54%	100%	70% ⁹	Improved/ missed target	
Percentage of national performance indicators that are in the top quartile		44%	35%	40%	47% ¹⁰	Improved/ met target	
Percentage of national performance indicators that are improving or at maximum ¹¹		84%	45%	50%	57% ¹²	Improved/ met target	
Partners we are working with?							
We are involved in over 100 collaborative projects and partnerships. Details can be found here							

Finance and Performance in 2016/17

What we spent in 2016/17

In 2016-17 the council spent £144 million providing services for Monmouthshire residents. Our Medium Term Financial Plan highlights the financial position in both the short and medium term and models different financial scenarios and pressures. This allows us to respond to changing circumstances such as any downturn in the economy and its impact on public sector funding.

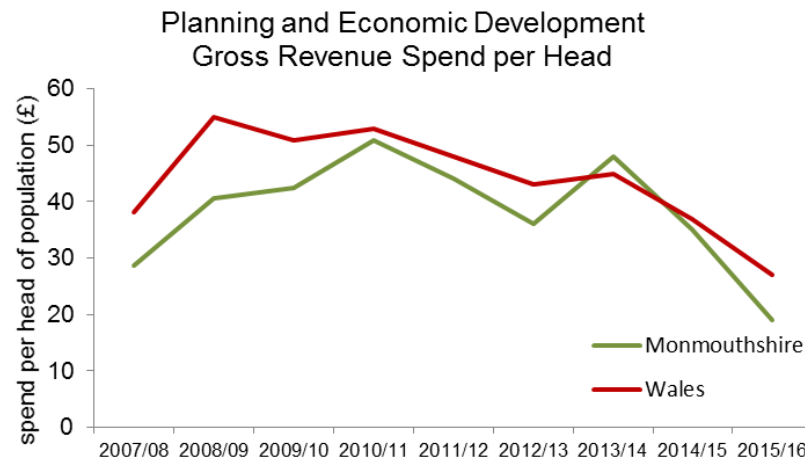
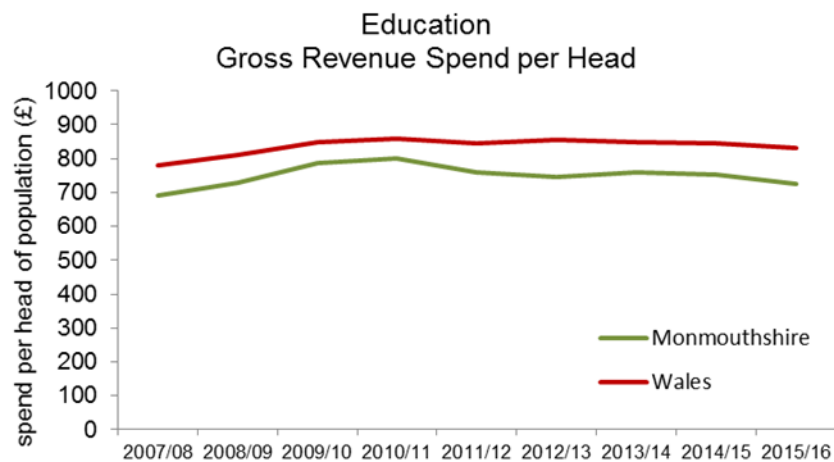
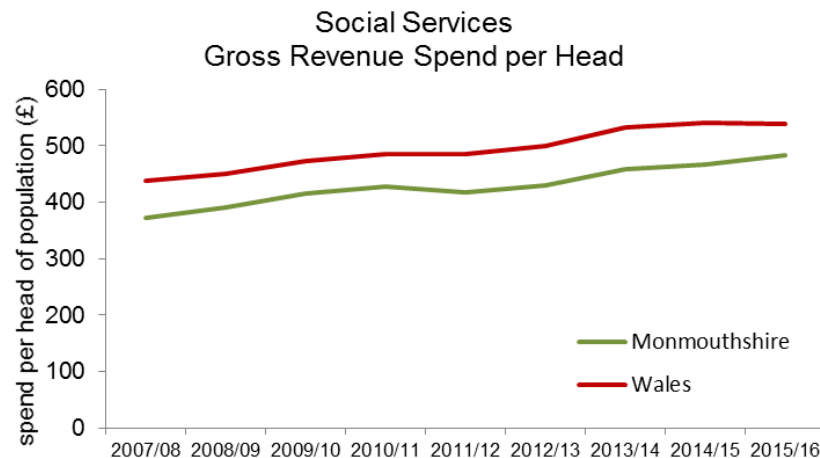
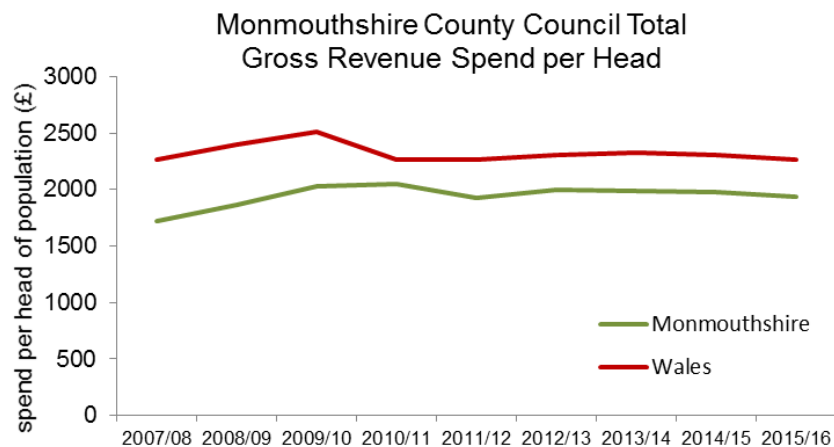
The proportion of our spending on different services in 2016/17 is shown in the chart below. These services are paid for by a combination of central government grants, council tax, non-domestic rates and a contribution from the Council Fund.



(net cost of services)

How our revenue spend compares with other areas

The diagrams below show how much we spend per head of population in on our priority areas. We are spending less on services per head of population than the average for local authorities in Wales and had the lowest gross revenue spend per head of all councils in Wales. However we also work hard to make sure this money goes where it matters. Comparable data is only available up to 2015/16 at time of publication.¹³



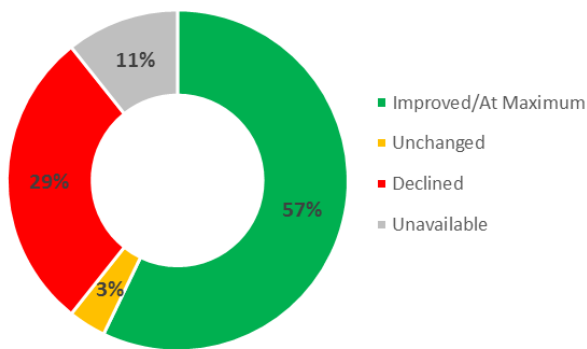
National Performance Indicators 2016/17

Each year the Data Unit Wales sets a number of key performance indicators that cover a wide range of services delivered by the council and can be compared across all 22 council's in Wales.

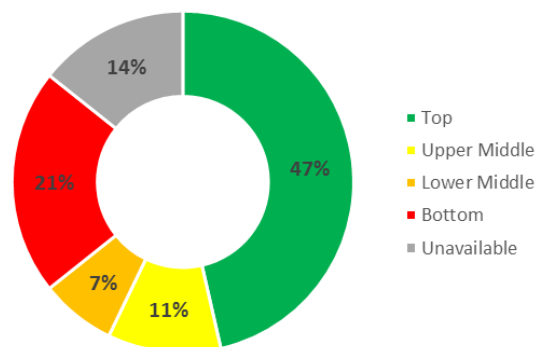
Due to changes in the national performance indicator set in 2016/17 following the decision to revoke the Local Government (Performance Indicators) (Wales) Order 2012 and the introduction of new national indicators as part of the Social Services and Well-being Act, summarising performance and trends across the whole set of indicators is less pertinent than previous years, however a number of indicators have remained consistent and can be compared over time. Comparable performance data for Social Care indicators will not be published until October.

57% (16) indicators in the national performance indicator set have seen an improvement in performance, 3% (1 indicator) remain unchanged and 29% (8 indicators) have seen performance decline. 11% (3 indicators) are not comparable to previous years.

National PI Trend 2016-17



National PI Quartiles 2016-17



Reviewing performance across all indicators Monmouthshire continues to be amongst the top performing councils in Wales. The graph above shows over half the performance indicators are in the upper middle or top quartiles when compared to other Councils in Wales, 47% (13) of these being in the top quartile. 21% (6) of indicators are in the bottom quartile. Of those indicators in the bottom quartile there are a number where we are already targeting improvements.

National measures do not always reflect our local priorities or focus on the outcomes of our services, nonetheless they remain an important tool in allowing people to hold the council to account. We have to analyse these against our priorities to allow us to fully assess what we have achieved and where we can improve. Our Improvement objectives in 2016/17 give the full detail on how we evaluate our performance in our priority areas. You can look at the full detail of the individual national performance indicators over the next few pages of this plan, in table 1, or look on-line at www.mylocalcouncil.info

However you choose to look at the information we are always interested in your views. You can leave a comment on our website, e-mail us using improvement@monmouthshire.gov.uk or tweet us @MonmouthshireCC

Trend	Quartile	Quartile Shift	Position in Wales
Trend information highlights if performance in 2016/17 compared to the previous year is: <ul style="list-style-type: none"> Improved or At maximum Unchanged Declined N/A - Not applicable 	Ranking information highlights if performance compared to Welsh local authorities in 2016/17 is in the: Top, Upper Middle, Lower Middle or Bottom quartiles	Highlights if quartile performance in 2016/17 compared to the previous year has: improved (+ number), is unchanged (0) or declined (- number) and by how many quartiles.	Shows where the authority ranks in comparison to the other 21 local authorities in Wales, 1 being the best and 22 being the worst.

Table 1

Ref	National Performance Indicator framework	2013/14	2014/15	2015/16	2016/17	Target 16/17	Target met? 16/17	Trend 15/16 - 16/17	Quartile 2016/17	Quartile Shift	Ranking 2016/17
EDU/02i	The percentage of all pupils in local authority schools, aged 15, that leave compulsory education, training or work based learning without an approved external qualification	0.4	0.1	0.1	0	0	✓	Improved	Top	1	1
EDU/02ii	The percentage of pupils in local authority care, and in local schools, aged 15, that leave compulsory education, training or work based learning without an approved external qualification.	0	0	0	0	0	✓	At Maximum	Top	0	1
EDU/03	The percentage of pupils assessed at the end of Key Stage 2, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	89.3	89.5	92.5	94.1	93.6	✓	Improved	Top	1	1
EDU/04	The percentage of pupils assessed at the end of Key Stage 3, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	80.4	84.2	90.8	91.9	93.3	✗	Improved	Top	0	3
EDU/06ii	The percentage of pupils assessed, in schools maintained by the local authority, receiving a Teacher Assessment in Welsh (first language) at the end of Key Stage 3	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A
EDU/11	The average point score for pupils aged 15 at the preceding 31 August, in schools maintained by the local authority	472.6	525.7	516.4	498.3	N/A	N/A	Declined	Bottom	-1	17

Ref	National Performance Indicator framework	2013/14	2014/15	2015/16	2016/17	Target 16/17	Target met? 16/17	Trend 15/16 - 16/17	Quartile 2016/17	Quartile Shift	Ranking 2016/17
EDU/015a	The percentage of final statements of special education need issued within 26 weeks including exceptions	57.1	64.5	75	65	Not set	N/A	Declined	Lower Middle	0	16
EDU/015b	The percentage of final statements of special education need issued within 26 weeks excluding exceptions	100	100	100	100	100	✓	At Maximum	Top	0	1
EDU/016a	Percentage of pupil attendance in primary schools	94.4	95.8	95.8	95.7	96	✗	Declined	Top	0	2
EDU/016b	Percentage of pupil attendance in secondary schools	93.5	94.6	94.8	94.8	95	✗	Unchanged	Top	0	4
EDU/017	The percentage of pupils aged 15 at the preceding 31 August, in schools maintained by the local authority who achieved the Level 2 threshold including a GCSE grade A*-C in English or Welsh first language and mathematics (*The 2016/17 data excludes pupils Educated Other Than At School (EOTAS).)	57.3	65.6	66.9	67.5*	71.9	✗	Improved	Top	0	2
PA/021	The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over	N/A	N/A	N/A	2.24	2.55	✓	N/A	N/A	N/A	N/A
SCC/022	The percentage of children looked after who have experienced one or more changes of school while being looked after	11.0	21.4	20.5	8.1	14	✓	Improved	N/A	N/A	N/A
SCC/039	The percentage of children looked after on 31 March who have had three or more placements during the year	N/A	N/A	N/A	5.3	6.5	✓	N/A	N/A	N/A	N/A
STS/005b	The percentage of highways and relevant land inspected of a high or acceptable standard of cleanliness	99.4	99.4	99.1	99.2	99	✓	Improved	Top	0	3
STS/006	The percentage of reported fly tipping incidents cleared within 5 working days	95.98	97.71	96.68	98.28	97.5	✓	Improved	Top	1	5
THS/007	The percentage of adults aged 60 or over who hold a concessionary bus pass	77.5	79.2	79.2	81.3	80	✓	Improved	Bottom	-1	17
THS/012	The percentage of principal (A) roads that are in overall poor condition	3.0	2.6	2.3	2.1	N/A	N/A	Improved	Top	0	3
THS/012	The percentage of non-principal (B) roads that are in overall poor condition	5.3	5.3	5.1	4.3	N/A	N/A	Improved	Lower Middle	0	14
THS/012	The percentage of non-principal (C) roads that are in overall poor condition	14.2	13.4	12.3	8.0	N/A	N/A	Improved	Upper Middle	1	10

Ref	National Performance Indicator framework	2013/14	2014/15	2015/16	2016/17	Target 16/17	Target met? 16/17	Trend 15/16 - 16/17	Quartile 2016/17	Quartile Shift	Ranking 2016/17
THS/012	The percentage of principal (A) roads, non-principal (B) roads and non-principal (C) roads that are in overall poor condition	9.8	9.7	9.2	6.3	10.5	✓	Improved	Upper Middle	1	9
WMT/004b	The percentage of municipal waste collected by local authorities sent to landfill	34.23	18.06	13.15	0.85	6	✓	Improved	Top	1	2
WMT/009b	The percentage of municipal waste collected by local authorities and prepared for reuse and/or recycled that are composted or treated biologically in another way	62.94	63.21	61.87	68.72	66	✓	Improved	Top	1	3
PPN/009	The percentage of food establishments which are 'broadly compliant' with food hygiene standards	91.2	93.9	93.8	95.12	93	✓	Improved	Upper Middle	1	10
DL/001b	The number of visits to public libraries during the year, per 1,000 population	7270	7434	7478	7262	7500	✗	Declined	Top	0	3
LS/002b	The number of visits to local authority sport and leisure centres during the year per 1,000 population where the visitor will be participating in physical activity	8099	7893	8205	7425	7800	✗	Declined	Bottom	-1	19
CHR/002	Average sickness days per employee (FTE)	N/A	9.8	11.6	11.5	10.8	✗	Improved	Bottom	0	19
CAM/037	The percentage change in the average Display Energy Certificate (DEC) score within local authority public buildings over 1,000 square metres	N/A	N/A	4.1	3.3	3	✓	Declined	Upper Middle	1	10
PSR/002	The average number of calendar days taken to deliver a Disabled Facilities Grant.	186	213	251	356	180	✗	Declined	Bottom	-1	22
PSR/004	The percentage of private sector homes that had been vacant for more than 6 months that were returned to occupation during the year through direct action by the local authority	4.66	10.27	14.18	3.88	11	✗	Declined	Lower Middle	-2	15
PLA/006b	The percentage of all additional housing units provided during the year that were affordable.	31	53	25	27	N/A	N/A	Improved	Bottom	0	18

Scrutiny of Council Business

The scrutiny process should ensure openness, transparency and accountability in the council's decision-making. Support is provided to elected members to enable them to constructively challenge policy and decision-making, assess the impact of the Council's policies on local communities, hold to account for performance and recommend improvement.

The Council's scrutiny committees undertake a wide range of scrutiny of council business from ongoing work programmed items such as Revenue and Capital Financial monitoring to specific policy and programmes including the committees playing a key role in ensuring that future generations are considered through their scrutiny of policy and decision-making.

Some examples of specific scrutiny activity in the last year included, scrutiny of:

- Aneurin Bevan University Health Board (ABUHB) on issues including out of hours GP services, the fairness / geographical spread of services and the issues of communication / advice / signposting and Delayed Transfers of Care.
- waste and recycling services including the Recycling Review Outcome and Implementation Plans.
- The progress made with the Tourism Destination Management Plan.
- the proposed new delivery model for the Council's Leisure, Tourism, Culture and Youth Services
- Education Achievement Service Business Plan 2017-18

A Public Service Board (PSB) select committee has been established since June 2016 as a bespoke scrutiny arrangement to scrutinise the activities of the PSB. The committee has scrutinised the formation of the PSB and membership, resourcing of PSB support and development of the well-being assessment.

The details of all scrutiny meetings held are available on www.monmouthshire.gov.uk/your-council and are also streamed on the council's [YouTube channel](#).

What Citizens Said

Engagement and consultation is essential to improving the way we work. We need to listen more effectively and understand our communities better. We regularly engage on a range of subjects in order to make sure that we listen effectively and we are working towards the National Principles of Engagement in Wales. Some of the most significant work in the year is set out below.

Our Monmouthshire engagement

Monmouthshire Public Service Board has produced a Well-being Assessment for the county. This will help to shape the future of the area and its communities.

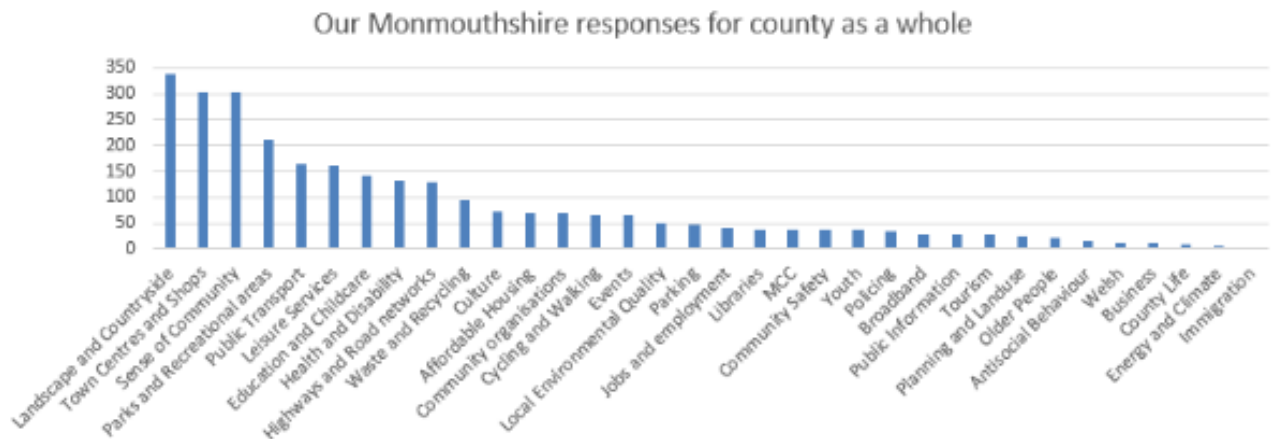
The assessment draws together findings from data, academic research and policy papers and the views of local people. Between August and December 2016 staff from public services in Monmouthshire attended over 80 events, speaking to more than a thousand people. This has helped us understand the issues that matter most to people in Monmouthshire. We called this engagement process Our Monmouthshire. We asked two questions: 'What is good about where you live?' and 'What could make it even better?'

People were encouraged to respond by completing postcards, via Facebook and Twitter using the *#OurMonmouthshire* hashtag. There was an online questionnaire for people to complete, and they could get involved and have their say using Monmouthshire Made Open, our digital engagement platform.

Efforts were made to ensure that we involved young and old and people with protected characteristics as set out in the Equality Act 2010. We also wanted to reach people where they were already at, rather than expecting people to come to us, so we went to a large number of venues and groups to speak to people. We then analysed the responses and clustered them into broad themes that best described the things that people talked to us about.

The theme that generated by far the most comments from Our Monmouthshire was landscape and countryside, with these comments being overwhelmingly positive about how the beautiful area and landscape benefit both residents and visitors. The next largest category of comments was about town centres and shops. These comments vary to some extent on where people come from. Some people are happy with their town centres and shopping provision, others are unhappy about empty shops and supermarkets having a negative effect on town centres. Also attracting a large number of comments were responses on the strong sense of community where they live and friendly people. Other themes that generated many comments include parks and recreation, public transport, leisure services, education and childcare, health and disability and highways and roads.

The following chart shows the number of comments by theme for the county as a whole:



This information has been used to inform the council's well-being objectives and statement 2017 while further consideration will be given to the assessment in future reviews of the objectives.

Community Governance review

A community governance review has been carried out. The aim of the review was to improve community engagement, this is important because we know that more cohesive communities are important to the council being able to deliver its priorities. The outcomes of the review will provide clarity as to when, where and how local people can engage in discussions and influence decisions. It will provide explicit clarification as to the responsibility for decision making in certain arenas and the accountability that flows from those decisions.

Council agreed in March 2017 that the review of community governance and whole place would be finalised as early as possible and piloted in the Bryn Y Cwm area.

National Survey for Wales

The National Survey for Wales gathers opinions from people across the nation on a wide range of issues affecting them and their local area. The 2016/17 survey replaces the 2012-15 National Survey and a number of other surveys, due to this change there are no results for 2015/16. Despite this change the quality report identified that comparisons over time are likely to be possible for questions that were included in both the 2012-15 National Survey and the new National Survey in 2016-17.

The survey provides a valuable insight into some of the outcomes of the local authority's work and people's views of public services and wellbeing in their local area. A selection of responses have been summarised below, this is based on 423 completed interviews in Monmouthshire. This is less than 1% of the population of Monmouthshire which was the number targeted as part of the methodology of the survey. In some cases this impacts on the precision of the results when broken down to local areas and should be taken into account when using the data. Further results and information on the survey is available on <http://gov.wales/statistics-and-research/national-survey>

Questions relating to local authority services:

Questions relating to local authority services	Monmouthshire 13-14	Wales 13-14	Monmouthshire 14-15	Wales 14-15	Monmouthshire 16-17	Wales 16-17	Ranking 16-17
Agree that can influence decisions affecting my local area	26%	25%	21%	21%	23%	20%	5 th
Agree local Council does all it can to improve local area	N/A	N/A	38%	37%	33%	35%	12 th
Agree that local Council lets people know how well it is performing	47%	41%	39%	37%	28%	33%	17 th
Agree local Council provides high quality services	63%	57%	57%	53%	51% ¹⁴	48%	6 th

23% of respondents in Monmouthshire agree that they can influence decisions, which is the joint 5th highest of local authority areas in Wales and above the national average of 20%, although this has declined from 26% in 2013/14.

Monmouthshire is below the Welsh average for those in agreement that the Council does all it can to improve the local area with 33% agreeing, which ranks Monmouthshire as joint 12th overall. The national trend and Monmouthshire trend have both decreased in 2016/17.

There has been a decline in the percentage of people that agree the local Council lets people know how well it is performing from 39% to 28% and ranked as 17th in Wales, while the Wales trend has also decreased this has not been as significant. This is an area that the Council can look to improve.

Questions relating to people and place:

Questions relating to people and place	Monmouthshire 13-14	Wales 13-14	Monmouthshire 14-15	Wales 14-15	Monmouthshire 16-17	Wales 16-17	Ranking 16-17
Agree belong to local area	84%	85%	88%	82%	72%	72%	11 th
Local area is a place where people from different backgrounds get along with each other	76%	73%	89%	79%	77%	72%	7 th
People in local area treat each other with respect and consideration	83%	80%	81%	79%	78%	73%	6 th
Have a sense of community	N/A	N/A	N/A	N/A	53% ¹⁵	50%	8 th




72% of Monmouthshire residents agreed they belonged to their local area, which is the same as the average for Wales, both figures have seen a significant decrease since 2014/15. This ranks Monmouthshire as joint 11th out of the 22 Council areas in Wales. Similarly the percentage of people who feel that people from different backgrounds get along with each other has decreased to 77% in 2016/17.

Public Services Ombudsman for Wales

The Public Services Ombudsman for Wales has legal powers to look into complaints about public services & independent care providers in Wales and is independent of all government bodies. There were 18 complaints relating to Monmouthshire County Council received by ombudsman in 2016/17, a reduction from 27 in 2015/16. Of these only one was taken forward to investigation. Roads and Transport was the subject area with the highest number of complaints with four. For more information on the work of the Ombudsman visit www.ombudsman-wales.org.uk/

Feedback

We're always interested to know what you think about our services, the priorities for improvement that we've written about in this plan and how we communicate Council performance to you. You can get in contact with us in a variety of ways

-  improvement@monmouthshire.gov.uk
-  Matthew Gatehouse, Policy and Performance Manager, Monmouthshire County Council, County Hall, Usk, NP15 1GA
-  @MonmouthshireCC

What our Regulators said

Regulatory bodies are a key partner for the local authority. Their aim is to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes. The council uses the findings of all regulatory reports to target improvement at key areas of work

The main inspectorates are the Wales Audit Office (WAO) who examine our financial and performance management, Estyn in relation to education provision and the Care and Social Services Inspectorate for Wales in relation to the social services. We work with other important agencies too such as the Planning Inspectorate, the Benefits Fraud Agency, the Environment Agency and Health and Safety Executive.

Each year, the Wales Audit Office reports on how well councils are planning improvement in delivering their services. This is published as part of an Annual Improvement Report (AIR). The latest Annual Improvement report (AIR) published in August 2017 summarises the audit work undertaken by WAO since the last report was published in August 2016, the report is available to download on the Wales Audit Office website (www.audit.wales/publications) and concludes:

“Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2017-18 providing it responds constructively and in a timely way to our statutory recommendations.”

During 2016/17 a number of audits have been completed by WAO including: Corporate Assessment follow-on reviews on Performance Management; Governance; Human Resources and Information Technology. The Council has completed a management response which sets out the actions we will take in response to the proposals for improvement in the reports and reported these to our [Audit Committee](#) through the year. As a result of regulatory work conducted by the WAO in the authority over the last few years, since the most recent comprehensive assessment of the council the ‘Corporate Assessment’ in March 2015, the council has a number of proposals for improvement it is addressing. The progress made against these proposals is reported to Audit Committee, the last report to [Audit Committee](#) was in July 2017. Statutory recommendations from the Wales Audit Office Safeguarding arrangements – Kerbcraft scheme report issued in February 2017 have been reported separately to Council.

WAO also make recommendations that may be relevant to the council in local government national reports. Although these have not been issued directly to the council, like the other proposals, the recommendations from the national reports could be relevant to the Council’s services. The reports are published on www.audit.wales/publications.

Inspection reports about education and social services are produced by specialist regulators, [Estyn](#) and the [Care and Social Services Inspectorate](#). Their latest reports are available online.

Partnership & Collaboration

Monmouthshire is committed to working in partnership and has a good track record of delivering jointly with health, the police and voluntary sector amongst others. Fully understanding that no single organisation or community can achieve the level of outcomes required to break the cycle of dependency from one generation to the next.

Under the leadership of the Public Service Board (PSB), which transitioned from the Local Service Board as part of the implementation of the Future Generations Act, the Partnership landscape in Monmouthshire fully embraces multi-agency working, with representation from a wide range of partner organisations, including the third sector, who work collaboratively to improve the outcomes for Monmouthshire residents. Collaboration and partnership working forms a key part of the delivery mechanism across the county.

The PSB is using the evidence in the well-being assessment to develop its wellbeing plan by March 2018, this will require the board to allocate and prioritise resources to meet their wellbeing objectives and establish clear plans to achieve this. The performance framework and accountability arrangements for the partnerships will be reviewed to deliver the well-being plan, key issues in the well-being assessment and continued delivery of statutory responsibilities. A PSB select committee has been established and has scrutinised the formation of the PSB and membership, resourcing of PSB support and development of the well-being assessment. The PSB select committee will have a role in scrutinising the development of the plan.

The partnerships have remained focussed on emerging issues and key issues identified in the well-being assessment and responding to them collectively as a partnership, as well as fulfilling statutory duties. Progress is reviewed at each partnership meeting to check on progress against the actions and agree any further action, if required. Issues that can't be resolved at the partnership level will continue to be escalated to programme board, which consists of representative from partners which sit on the PSB. The Strategic Partnership Team will continue to work with partners to strengthen the clarity of plans and monitoring of progress. The PSB has adopted childhood obesity as a priority and is developing its delivery framework to tackle it.

Some of the key service partnership collaborations the council is involved in include the Education Achievement Service (EAS), Project Gwyrdd, and the Shared Resource Service (SRS). The Council's Select Committees have scrutinised the performance of some of the partnership collaborations the Council is involved in during the year.

Appendix 1 – Our 2016/17 Priorities

The Public Service Board are currently working on a new plan for Monmouthshire that will be published in 2018. During 2016/17 the year in which the plan relates, we were working towards priorities set by the previous council in May 2016 and the three specific themes described in the Single Integrated Plan. These were:

Nobody is Left Behind: so that Monmouthshire is a place of cohesive communities where everybody is treated with dignity and respect and has the same opportunity to achieve.

People are Confident, Capable and Involved: where Monmouthshire is a place for people to feel safe and a place where people want to be involved; where they are confident in themselves and their abilities and how they contribute to their community.

Our County Thrives: so that Monmouthshire is a thriving county and a thriving economy to support communities and where families can live a good life. This sense of thriving also means in context of the environment and habitats and where biodiversity thrives.

For the year 2016/17, prior to the Council elections in May 2017, Monmouthshire Council was run by a partnership administration of two political parties. In March 2015 they signed a continuation of their partnership agreement which clearly set the direction of the council for the period up to the local authority elections in May 2017. This maintains the partnership established by the Conservative and Liberal Democrat groups back in May 2012 to administer the council.

The [Continuance Agreement](#) set four specific priorities which were described in the Improvement Plan set in 2016/17. These were:

- Education - While at a headline level our key stage results are amongst the best in Wales we recognise that we can make further improvements and will strive to raise standards across all key stages of education for all pupils.
- Safeguarding vulnerable people - Support for vulnerable people both young and old is at the heart of our commitment to communities, but we do not want people to be dependent upon care provided either by our social services or from the NHS. We are constantly looking to deliver more support through community networks so that we meet the challenge of demographic changes in a sustainable way.
- Promotion of enterprise, economic development and job-creation - Improving the prosperity of our county remains essential if we are to remain economically resilient, prosperous and sustainable.
- Maintaining locally accessible services - Maintaining local access to services is crucially important to us. We are a rural and scattered county. Due to the distances between our towns and settlements it is impractical to centralise services as is happening in other towns and cities. We know that once services close they are unlikely to return and so we will work hard to be cost effective in our support service and estate costs to maintain front-line delivery across the whole of our county.

References

¹ Monmouthshire County Council established a loan scheme to help bring back to life underutilised and redundant sites and buildings in Abergavenny town centre. This is funded under the Welsh Government's 'Vibrant and Viable Places' initiative, the scheme provided interest-free loans to owners to refurbish, convert or develop redundant, vacant and underutilised sites and premises in the town centre.

² Based on annual calendar year data produced by STEAM. Due to the range of factors that affect this indicator it is not possible to produce a more specific target.

³ New business start-up data for the year 2016/17 is not available, discussion has taken place regarding the provision of partner data under a new Welsh Government contract which will now be provided quarterly from the start of 2017/18.

⁴ Monmouthshire Local Development Plan, Retail Background paper

⁵ Monmouthshire Local Development Plan, Retail Background paper

⁶ Monmouthshire Council is the Administrative Body for the programme, the Vale of Usk allocation has an approximate 80:20 split between Monmouthshire and Newport.

⁷ Approved projects and supporting LAG minutes are shown on the projects section of the www.valeofusk.org website.

⁸ The target provides an indication of forecast projects, this may vary depending on projects that apply for funding and full information is available on www.valeofusk.org.

⁹ Data from December 2016

¹⁰ Excludes three Social Care and Health indicators where comparable data is not published until October 2017.

¹¹ National performance indicators from the National Strategic Indicators and Public accountability measures set. Only indicators that can be directly compared to the previous year and were published in the year by the council are included.

¹² Three indicators not directly comparable to previous years

¹³ Data accessed from <https://statswales.wales.gov.uk/Catalogue/Local-Government/Finance/Revenue/Outturn/RevenueOutturnExpenditure-by-Authority>

¹⁴ Based on Margin of Error that is "least precise".

¹⁵ Based on Margin of Error that is "least precise".

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REPORT

SUBJECT: Approval of a Capital Budget for the provision of Waste and Recycling Vehicles

MEETING: Council

DATE: 21st September 2017

DIVISION/WARDS AFFECTED: Countywide

1. PURPOSE

To gain Council approval to create a capital budget of £3.9m for the provision of waste and recycling vehicles necessary to introduce the waste and recycling strategy approved by Council on 9th March 2017.

2. RECOMMENDATIONS

- 2.1 That Council approve the creation of a budget of £3.9m for the acquisition of waste and recycling vehicles to be added to the Council Capital Budget for 2017/18.

3. KEY ISSUES

- 3.1 On the 9th March 2017 Council approved a strategy for the provision of waste and recycling services in Monmouthshire.
- 3.2 The new service configuration requires a new fleet of vehicles. Tenders have been received for the vehicles but the capital budget included within the Council's approved capital budget for the replacement of vehicles is insufficient to cover the cost of the new fleet.
- 3.3 To ensure that the replacement of the fleet does not conflict with the condition and age of the existing fleet (primarily that we are not replacing vehicles recently purchased) the current service has increasingly been supported using hire vehicles (members may have noticed an increasing number of hire vehicles operating around the county).
- 3.4 The industry now often 'builds to order' so delivery time for some of the larger specialist vehicles can be up to 11 months. To facilitate the roll out of the new service in October 2018 requires orders to be placed no later than October to ensure delivery. The new service cannot be introduced without the new fleet so placing orders in good time is essential.

4. REASONS

- 4.1 When the Council's capital budget is approved in February or March of each year a figure is included within the budget for the replacement of vehicles.

This is based upon a schedule of vehicle replacements and whilst the schedule might be reviewed during the year the approval of the budget provides officers with authority to spend.

- 4.2 Although the configuration of the service was approved in March the capital budget for this year did not allow for the acquisition of the new fleet (£3.9m) as full tendered costs were then unknown. . This report seeks approval of Council to create the capital budget.

5. RESOURCE IMPLICATIONS:

Following specification and tendering the cost of the fleet has been calculated as £3.9m.

This funding of this expenditure was provided for in the business plan presented to Council in March 2017. Whether purchased by lease or funded by prudential borrowing will be decided by accountancy colleagues however the business plan assumes an annual payment of £500,000 included within the waste and recycling revenue budget.

Although this report seeks approval of the creation of the capital budget the business plan continues to be refined so the final decision to spend will seek approval from the Head of Finance.

6. FUTURE GENERATIONS and EQUALITY ASSESSMENT

This report seeks the creation of a budget so a FGE assessment is not considered necessary. A FGE assessment was provided with the report submitted to Council on the 9th March 2017.

SAFEGUARDING ASSESSMENT:

There are no safeguarding implications associated with the recommendations within this report.

7. **CONSULTEES:** None

8. **BACKGROUND PAPERS:** Report to Cabinet on 9th March 2017 titled:

'Recycling Review – Final Proposals for Collections 2018-2025'

9. **AUTHOR**

Roger Hoggins, Head of Operations

CONTACT DETAILS: rogerhoggins@monmouthshire.gov.uk

SUBJECT: Velothon 2017 - 2020

MEETING: County Council

Date: 21st September 2017

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

- 1.1** To update Members on the 2017 Velothon event and seek the Council's commitment to supporting the Velothon event in 2018 by enabling the route to travel through Monmouthshire.

2. RECOMMENDATIONS:

- 2.1** That Council agrees to support the Velothon on July 8th 2018 and support Run4Wales and officers in organisational planning and delivery.

3. KEY ISSUES:

- 3.1** As members will be aware the Welsh Government has entered into a 5 year contract with the Velothon event organisers to deliver an annual cycling event that enables mass participation on closed roads as well as both youth and pro races. The decision making process by all the host authorities is required early to ensure planning and marketing of event is in place. This view was echoed at the Monmouthshire Event Safety Advisory Group on 7th September, notably from Gwent Police Force Planning.
- 3.2** There will be a significant change for the 2018 event as there will not be any professional race. Instead, 2018 event, will concentrate solely on a mass participation race. The 140km and 110km routes will be similar to the 2017 event and the intention is to introduce a further 50km route. The event timings for the race will be starting between the window of 7-9am from Cardiff depending on the participation levels.
- 3.3** The 2017 event took place on the 9th July following on from the May 2016 event. Whilst Ironman still had overall responsibility for the event, Run4Wales were the local delivery partners and it was noted that improvements in decisions and planning were made. As a result resident communications were substantially improved and they were able to quickly respond to issues as and when they arose.

- 3.4** The 2017 event was delivered under a new governance structure implemented by Welsh Government which included a Steering Group made up of representatives of the host Local Authorities, blue light services and governing bodies together with the event organisers. Supporting this Steering Group were a number of groups set up to consider specific operational strands of activity, .i.e. start & finish, route, risk, and communications. This structure was effective and enabled issues to be considered and determined at the local level. A similar structure was replicated within Monmouthshire through the creation of an MCC Velothon Steering Group to enable effective planning at a local scale.
- 3.5** The Internal MCC Steering Group has undertaken de-briefs following the 2017 July event to capture what went well and what needs to be improved in future years. This document is included in Appendix 1. It is clear that the organisation of this year's event improved in a number of key areas, most noticeably around resident communication and road closure timings, however as you would expect with an event of this scale there are ~~is~~ still areas for improvement and it will be the responsibility of the event organisers to implement the recommendations made in the debrief report to achieve this.
- 3.6** The main areas of concern from this year's event and going into 2018 are:
- The impact of the road closures on specific communities, particularly Llanfoist and Usk and ensuring road closures are kept to a minimum.
 - Ensuring Monmouthshire maximises opportunities for tourism and businesses.
 - Develop and grow community participation and engagement – build on the exceptional work around Usk with the bike off theme.
 - Litter left by participants needs addressing.
 - Ensuring vulnerable people and communities who need services are adequately provided and planned for.
- 3.7** The cost of the event for Monmouthshire is mostly around the commitment of officer time. Whilst there are some small costs involved in additional sweeping and clearing of around 2k it is the time that is the main cost. These costs have been estimated by officers at 18k for time spent at meetings, planning and on the event day delivery. It is likely a similar cost will be incurred in 2018. These costs have not been attributed to the event but are absorbed by existing service budgets.
- 3.8** The fantastic results of the engagement events as driven by partnership work with MCC and Usk Town Council and partners were a huge success. The work has been held up as an example of brilliant practice and other local authorities are being encouraged to try to do similar work. The "Bike Off" engagement with the local school, clubs and societies in decorating bikes have become almost a destination for cyclist to view and feel welcomed all year around.

- 3.9** Issues highlighted in the 2016 debrief specifically provided by Monmouthshire were listened to and addressed especially around key infrastructure and getting roads reopened quickly. The addition of a rolling road closure for the pro race in the afternoon was a significant improvement. The removal of the pro race in the future will significantly reduce road closures across the county as all roads will reopen by early afternoon. It is felt that there have been improvements year on year.
- 3.10** **3.10** There were comments, letters and emails around aspects of the Velothon 2017 which involved unhappy businesses who lost trade, residents who felt they were being forced to stay in and could not go out and also some views around litter after the event. Negative press from the Abergavenny Chronicle also did not help in promoting the event. There was only one formal complaint received by MCC for the whole of Velothon 2017. This involved concern around dangerous signage in one particular rural area.
- 3.11** Run4Wales have now formally accepted they are the lead organisation for the 2018 event and have already commenced work on plans and are now seeking confirmation from all the host authorities of their continued support. The date being published for 2018 is 8th July and initial entries for the race are already underway. We understand that the other authorities have confirmed their commitment with Monmouthshire being the remaining Council to do so. Early engagement by this Council will enable us to work with Run4Wales to review and build upon the lessons from this year's event.
- 3.12** The proposal for the 2018 event is to not have a professional race and to concentrate on mass participation via the Sportif. This will reduce the road closures. The opportunity to encourage more cycling, encourage new people into the sport and ultimately improve wellbeing is important for some of the Public Service Board outcomes.
- 3.13** Monmouthshire are in discussion with Run4Wales about the possibility of a shorter route that could start in Usk which would ensure there is significant benefit to local business. However this may also mean more disruption to local residents and a greater input of staff time. These discussions are ongoing.

4. REASONS:

- 4.1** Run4Wales demonstrated their ability to improve on the event management of this year's Velothon event. Learning the lessons from 2016, they implemented a well-trained and resourced call centre which significantly reduced the calls and complaints received by the council. Resident communications and information was produced earlier than in 2016. Various mailshots of maps and information were produced and sent to all affected communities. However the distribution of event plans within the agreed framework was not adhered to and plans such as the Traffic Management Plan, Risk Assessment etc. were

received late or not at all. The coordination of the needs of essential service providers was led by the MCC Steering Group in conjunction with Run4Wales and was successfully delivered on the day, minimising the impact on users.

- 4.2** As with any event in its formative years there are still areas which need to be improved to ensure that the credibility and confidence in the event and its organisers continues. Early discussions with Run4Wales have identified the following strands of work to offset the main concerns expressed this year:
- Road closures – Run4Wales are reviewing the highways closure times for Monmouthshire especially with the pro race not happening in 2018.
 - Stewards – there is an acknowledgement that stewarding arrangements needs a refresh and more local knowledge and training needs to be available.
 - Community participation – the organisers would like to develop and expand the excellent work in Usk and produce a community engagement plan to ensure better relationships with those communities most affected to encourage community participation / events on the day of the Velothon.
 - Toilet infrastructure – the event organisers acknowledge that there needs to be an increase in the number of toilet facilities provided on the route to prevent participants taking comfort breaks in appropriate places.
 - Litter – Run4Wales are currently reviewing the food that is provided at feed stations to minimise or indeed eliminate packaging and therefore litter on the route. Information will also be sent to participants to discourage them from discarding gel wrappers etc during the event and the negative impacts on the communities if they do.
 - Business engagement – early discussions with businesses to support them in maximising the commercial opportunities around the event, particularly around Twyn Square in Usk especially after 2017 Bike Off success.
 - Direct contact between Run4Wales and businesses who have voiced their continued frustration this year.
 - A better relationship needs to be developed between the Velothon, the Abergavenny Chronicle and some frustrated residents.
 - Distribution of event plans within agreed frameworks.
- 4.3** Given the magnitude and scale of this event it is inevitable that communities will be disrupted, early engagement by the organisers will enable potential issues to be highlighted much earlier in the process and where possible mitigated. As a partnership we are keen to promote the opportunities that the Velothon can bring by providing opportunities for community events as well as commercial opportunities to promote Monmouthshire as a tourism and cycling destination.
- 4.4** Some of the key evaluation statistics from the 2016 event suggest there are benefits leading up to and after the event. The post event survey 2016 shows that 48% of respondents chose to visit and train around the regions before the race; 16% visited Cardiff, 16% Monmouth, 10% visited Caerphilly, 3% visited

Newport and 3% visited Torfaen. Extrapolating to the 11,906 registrations, suggests 914 visitors for Cardiff, 914 visitors for Monmouth, 571 for Caerphilly, 171 for Newport and 171 visitors for Torfaen. Eating, drinking, walking and sightseeing were the most popular pursuits, with Velothon participants spending higher than the average Visit Britain tourist; Velothon riders spend £57 on accommodation per night, £61.45 on food & drink and £29.95 on leisure/entertainment activities. In addition, based on their race-day experiences, 97% surveyed said they would visit Wales again. MCC have asked event organisers to ensure evaluation of 2017 event is available for members as soon as possible as this has been requested by economy and development select.

4.5 Our MCC communication and engagement update in Appendix 2 shows some of the excellent work carried out in this area. It also demonstrates the reach of the event on social media and the positive and negative press coverage.

5. RESOURCE IMPLICATIONS:

5.1 Any costs incurred in hosting the event will be met from existing service budgets. These costs for 2017 have been calculated at 20k.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

6.1 Ensure community and engagement plan from Run4Wales is in place and essential services are considered through our own internal teams.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

7.1 There are no safeguarding or corporate parenting implications arising from this report.

8. CONSULTEES:

All Cabinet Members
SLT
Emergency Planning Manager
Head of Public Protection
Communication and Engagement manager

9. BACKGROUND PAPERS:

Appendix 1 – MCC Internal debrief paper
Appendix 2 - MCC Communication and engagement update
Appendix 3 - WG & Run4Wales Velothon debrief & Action plan

10. AUTHOR:

Ian Saunders (Head of Tourism, Leisure, Culture & Youth)

11. CONTACT DETAILS

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VELOTHON WALES
MCC INTERNAL CORPORATE DEBRIEF
THURSDAY 27TH JULY 2017 – ROOM P4, MCC HQ, USK.

PRESENT:

Ian Hardman	Emergency Planning (Chair)
David Jones	Public Protection
Julia Detheridge	Emergency Planning
Ian Saunders	Enterprise
Nick John	Enterprise
Isobel Brown	Usk Community Council
Rhian Cook	Communications
Hywel Griffiths	Commissioning Services (Social Care)
Nicola Edwards	Tourism
Paul Keeble	Highways
Amanda Perrin	Highways – Car parks
Cllr. Bob Greenland	from 11.30am

APOLOGIES:

Phaedra Cleary	Traffic & Development
Abby Barton	Communications
Nigel Leaworthy	Cleansing & Waste
Huw Jones	Transport
Pauline Batty	Community Meals
Andrew Welsh	Highways

1. WELCOME / INTRODUCTIONS / APOLOGIES APPROACH

IH welcomed everyone and a round robin of introductions were made and apologies given.

2. DEBRIEF APPROACH & AIMS

IH explained how the session would be run and went through the debrief aims (see below). It was explained that this debrief would be used to feed into the multi-agency debrief being organised by Welsh Government and Run4Wales. It was also explained that Velothon Wales have previously produced a Debrief Proforma – which has been centred around issues they wished to explore and were seeking improvement on. This MCC Corporate Debrief would focus both on any internal MCC issues identified as well as wider issues that could be shared with Velothon / Run4Wales.

Following this debrief – comments would be captured and recommendations identified both to feed into the multi-agency debrief and to assist MCC in being better prepared should the event continue to run.

Debrief Aims

1. To build up a picture of our approach and planning for the Velothon Wales event held on Sunday 9th July 2017. In previous years – Velothon has been specific in how they wish information to be reported back – such as:
Governance Arrangements, Planning structures and Engagement with stakeholders;
Communications & Publicity;
Traffic Management Planning; and
Risk Management, Responsibilities and Accountability.

We have received no guidance this year – but were initially informed that the ‘Formal’ debrief would be hosted in the first week of August. Hence IH intends to look at the event as a whole – and slot in comments based around whatever categories may come from Velothon - to keep this process as simple as possible and make sure as an Organisation we cover all aspects that are important to us.

2. To identify what went well and was successful in relation to the event (good practise) – together with problems encountered (what needs to be avoided) and suggestions in terms of where improvements can be made – and hence recommendations for future implementation.
3. On identifying where such improvements can be made to assign ‘ownership’ of where such lessons identified fall (where possible) – i.e. to a particular service area / individual or our MCC task and finish steering group / or Velothon governance structures - and highlight this in the post-debrief report which can be referred to if the event is held again.
4. To enable us (as an organisation) to provide information that can be fed back into the wider independent multi-agency Velothon Event debrief to be hosted by Run4Wales in mid-August – *date to be confirmed*.
5. Emergency Planning will write up and collate this debrief information – but we will look to Ian Saunders as our strategic lead to produce a final MCC report if this is felt necessary.

IH asked everyone to look at the event in terms of:

- What went well and was successful?
- What were the main issues encountered?
- What could be improved upon and how – what recommendations need to be implemented?

3. WHAT WENT WELL AND WAS SUCCESSFUL?

Event Planning – Ian Saunders

- Marked improvement since Year 1 – significant reduction in number of calls coming into the council.
- No issues with the event at the Three Salmons on the Saturday evening – guests parked on the other side of the road closure. Isobel also confirmed that at the last minute Usk Castle offered their car park for visitors coming to watch the race.

Communications

- Abby put together a Comms and Engagement Update – embedded below – precis as



Communications
engagement review

follows:

- In 2016 Monmouthshire’s opinion was divided. People either loved or loathed the Velothon. However positive social media sentiment about the Velothon in Monmouthshire increased from 21.19% in 2016 to 68.78% in 2017. Negative press mentions of the Velothon in Monmouthshire have dropped from 44.27% in 2016 to 25.95% in 2017.
- Community engagement was started earlier this year and in March a Cycle Usk team was created - including MCC, Velothon, Usk Town Council and local cyclists. An engagement strategy was produced and community outreach work evolved with Usk Primary School and the Cycle Usk team.
- In May the ‘Bike off’ event was held at Usk Primary School and later that month beautifully decorated bikes started appearing in Usk. Over May/June/July up to 100 bikes appeared, the Usk Bike treasure hunt began and bespoke cycle routes were launched.
- Local businesses and residents all got involved and provided their support.

- Cyclists stopped in Usk as part of training.
- BBC2 have been filming in Usk with local children as part of a 'preparation for Wales in Bloom' programme.
- There was positive PR issued to create more positive buzz on the approach to the event.
- Staff engagement – championed with a staff competition to ride in the race.
- Schools engagement was via Welsh Cycling events in local schools (this legacy will continue into September with follow-up sessions planned).
- On the day supporters filled the roads in Usk with a festival feel. Great to welcome TV and press journalists to Monmouthshire. Local businesses opened for business so spectators could make the most of the day.
- Reach of 46,400 generated on the MCC Facebook page and 43,262 impressions on Twitter from the event
- Cyclists were overheard saying 'this place is great' and seemed to be really enjoying it
- Feedback received: "Have to thank everyone in Wales for all the support. In other locations you get tacks on the road. In Wales you get shouts of encouragement, flag waving, bunting, painted bikes lining the route, it was like a stage of the Tour de France. Thanks to all involved on a top event, felt like a pro rider for the day."

Additional comments received from Abby:

- The various initiatives demonstrate the power of partnership working to change perceptions and deliver effective community engagement.
- Participant marketing plan – it was great to get Monmouthshire mentioned in some of the Velothon comms - this can be improved further next year as we have loads of photos from this year which will be really 'campaign-able'.
- Resident communications seemed to run smoothly this year.
- Business communications were a generally improving picture as I think businesses now understand more about the event. There are still some very frustrated businesses in Monmouthshire given the complaints and letters to the editor of the South Wales Argus and Abergavenny Chronicle that have continued this year. It would be good to consider how this can be improved next year.
- Community engagement – the Great Usk Bike Off demonstrated the power of partnership working to drive results. Thanks to Run 4 Wales (R4W) for providing the drinking bottles, supporting on the PR/photography and generally good teamwork. A plan is needed in areas beyond Usk including Llanfoist.
- The event itself was a great day and a wonderful atmosphere in Monmouthshire, the links between us and the media centre worked really well great to see e.g. C4, the TV cameras and press stopping in Usk.
- Structure/membership of the R4W marketing/comms worked well.

Usk Town Council

- The Velothon promoted excellent partnership working with Monmouthshire County Council and R4W.
- The Great British Bike Off was a huge success and involved the school and the community who donated bikes and got involved in the painting party.
- There was a potential appetite for Usk to host and stage their own cycling event in future due to the success of velothon in the town this year.
- Social media worked very well for Usk Town Council – they had 58,046 hits on their Velothon hashtag. Videos created and shared on the Town Council site were well received.
- Comments received were that it was an excellent example of the town council and community working well together for the first time in many years. Local businesses also recognised the benefit of the event.
- Visitors have enjoyed seeing the bikes and the Great Usk Bike Hunt is being continued until September which will extend the reach of the campaign.

- Sponsorship was received for the 'Usk welcomes the Velothon' signs.
- Rachel Rawlings had reported back that older people had been out around the town counting the bikes and that the initiative might be taken forward in other areas.

Highways / Traffic Management

- Not aware of any negative comments. Only problem on the day was relating to the Magor traffic lights. No complaints about potholes this year – the community appear to be more accepting as the years pass.
- Highways Operations were very pleased with the feedback from the teams on the ground and all went according to plan on the day.

Event Control – Run 4 Wales HQ, Leckwith (Nick John)

- From a sports development perspective the event was very successful – especially around Usk. R4W also visited 2 other schools in the county.
- The pre-event tabletop exercise was comprehensive and very useful – went up another level from last year.
- The new event control at Leckwith was excellent – an improvement on 101 House. Wifi, plug in sockets, good mobile phone reception, all teams in one place, live feeds etc. The Traffic Management Company were accessible and provided live updates on roads re-opening. They had a specific team in Usk ready to re-open the road as soon as the last cyclists went through.
- The helpline at Event Control received no calls relating to Monmouthshire on the day.

Tourism

- There were a lot of positive ambassadors in the community who produced content that tourism were able to share.
- Only 17 hits received directly via the links from the Velothon website which was disappointing. However there were more hits on our own web pages promoting cycling in the county – although this could be due to more people generally visiting the improved website.
- No information yet regarding hotel bookings over the event period.
- It is difficult to measure any legacy or increase in profile due to the Velothon but hopefully this will be clearer in the future. There are now cycling routes used for training that we can promote.

Emergency Planning

- Road closure timings were released earlier this year.
- Introduction of the rolling road closure for the pro race meant that the majority of roads were open by lunchtime.
- There were two Public Information leaflets and more detailed maps.
- The MCC supporting leaflet for carers was helpful.
- The MCC Steering group worked well and ensured all corporate issues were addressed. A Run 4 Wales representative attending some of these meetings was useful to clarify information and answer any queries. Naomi Warner from R4W acting as a single point of contact was supportive in addressing concerns raised by the group.
- The WG Steering Group was beneficial to provide a vehicle to challenge concerns from a Velothon operational perspective and ensure accountability was maintained.
Recommendation: The WG Steering Group remains.
- Representation on the Velothon Route group benefitted from an EP rep attending along with a Highways rep. This allowed the identification of wider disruption issues as well as specific road closure details for the Traffic Orders. Recommend that this continues.

- The MCC Velothon Event Support Arrangements was comprehensive and assisted our MCC rep (Nick John) at Event Control as well as other MCC staff supporting on the day. Invaluable tool in understanding the route through Monmouthshire, capturing the Road Closure details, logistical and access requirements and emergency contacts on the day. Actually having an MCC representative at Event Control in Leckwith was essential.
- MCC specific Frequently Asked Questions assisted staff in answering queries in person and by phone.

Safety Advisory Group

- It was a 'safe' event and there was some improvement in documentation received from R4W. There were more toilets provided and Naomi Warner from R4W was quick to respond to queries.
- There was one ESAG for Gwent which recognised capacity issues for other partner agencies.
- Riders who were also on the ESAG reported that they had enjoyed the event and had encountered no opposition along the route.
- Any problems were dealt with at the time and Nick confirmed that any operational issues were dealt with by Velothon Operations teams on the ground who reacted quickly.

Commissioned Services

- Hywel contacted all providers by telephone and followed up with an email. Some had not received any information directly from the Velothon. Hywel has seen 10 providers since the event and they were all grateful for the information we provided. Nick confirmed there were a lot of calls from carers on the day but none were from Monmouthshire.
- Monmouthshire's approach to duplicate information provided directly by the Velothon worked well and will continue for next year.

Monmouthshire Meals

- Information received from Pauline Batty: Everything went really well during this year's Velothon. The organisers were really helpful issuing our staff with passes where needed and assuring they were able to get to work. There were no problems with deliveries and we received no complaints from service users. This year was easier than in the past probably because we are starting to build relationships with the organiser and the lines of communication have improved.

Car Parks

- No complaints received from residents this year – the Velothon were far more organised. The infrastructure and signage in the car park were removed quickly after the event.

Cleansing & Waste

- Information received from Nigel: No problems encountered.

4. WHAT MAIN PROBLEMS / ISSUES DID YOU ENCOUNTER? / WHAT AREAS COULD BE IMPROVED UPON AND SUGGESTIONS ON HOW THIS COULD BE ACHIEVED?

Event Planning – Ian Saunders

- The WG Steering Group was ineffective and rarely responded or addressed issues or concerns raised. Minutes were late and timescales were not met. Other events such as the Champions League took priority.
- It would have been difficult to run the event within Monmouthshire without the MCC Steering Group and the support of all staff involved.
- The Velothon want Council agreement to next year's provisional date as early as possible. If we delay this decision it will put us on the back foot with planning for next year's event.

- It is impossible to gauge the legacy to see if the council has benefitted from any return investment from the Velothon. We need sight of the Economic Impact Assessment Data.
- R4W have been asked to provide a copy of the email complaints they received (180 in total across all 5 authorities) that relate to Monmouthshire but these have not been forthcoming. It would be useful to see the nature and profile of the complaints so these can be addressed.
- Monmouthshire's MP – David Davies has said that he will be riding in the event next year.
- The infrastructure for road closures was put up earlier than the stated road closure times – this led to confusion with residents believing they were not allowed through. Better briefings for stewards and an explanatory sentence on the Residents leaflet could help.
- The Greyhound at Llantrisant were unhappy with the closure and are asking for compensation.

Communications

- A better relationship needs to be developed between the Velothon, the Abergavenny Chronicle and some frustrated residents. The Chronicle are a key title for Monmouthshire CC so closer and more positive engagement with the paper is required in 2018 to help reduce negative PR.
- Direct contact should be made by the Velothon with residents who have voiced their concerns about the event to prevent 'letters to the editor' (Abergavenny Chronicle and Argus), frustrated emails and negativity around businesses not being able to trade due to road closures.
- It would be beneficial to have advance notice of next year's date – although we do have a provisional date – 8th July 2018 – this has not been confirmed due to needing council agreement.
- Frequently Asked Questions should be made more widely available to avoid staff giving out mixed messages.
- Dave pointed out that the council could not be seen to promote one event over another. The Velothon need to be seen as the owners of publicity and engagement.
- In the future it would be a good idea to have a standardised response to complaints about road closures. We are responsible for closing the roads so need to address these complaints. Other issues can then be referred back to Velothon.

Usk Town Council

- Toilet facilities still inadequate.
- Still issues with litter in Usk – one lady picked up 65 empty gel pouches. MCC teams had to pick up litter between the Newbridge on Usk and Usk town in the week following the event.
- Could Maryport Street north car park be kept open using a traffic light system? Is it possible to explore other traffic management options?
- Some businesses are still reporting that they are losing out even though the closures are now only for half a day. Need to collect information on the benefits to businesses so we have evidence to present to people. Usk Town Council could help R4W promote events and provide incentives for businesses.
- R4W did not follow through with support offered to Usk in the initial stages.
- Velothon website was poor and not updated regularly.
- Usk businesses did support the Bike Off – 100 bikes were painted and displayed – only 1 was stolen and 2 moved. However this creates problems with storage once the bikes are taken down.
- Recommendation: challenge R4W litter contractor next year.

Highways / Traffic Management

- There was an issue with the traffic lights in Magor as no 'instruction' had been given to the Traffic Management company for them to be turned off on the day. Nick contacted Paul Keeble on the morning and Paul resolved the issue. An instruction needs to be given to the contractor so they can turn the lights off and back on again when the race has finished this section of the route. The Velothon then needs to be informed that this instruction has been issued. There was no formal Traffic Management Plan where this could have been picked up. Newport put in the instruction this year and the Velothon paid.
- Recommendation: Emergency Planning to support the Highways rep on the Route Group and be proactive in ensuring this 'instruction' is issued next year and clarity over where this responsibility lies is resolved.
- Ian S raised the fact that The Tumble had been re-tarmaced a week before the Velothon – in 2 stages. This created problems for cyclists who were practising for the event as there was dust and tar on the road which could have caused a nasty accident. Need to be mindful of works along the route prior to the run up to the event.

Event Control – Run 4 Wales HQ, Leckwith (Nick John)

- From an operational perspective all went well on the day. The only problem was with the traffic lights at Magor which Paul Keeble sorted but needs to be clarified for next year's race.

Tourism

- No problems encountered.
- Recommendation: Better way to collect entrant's details and a way to feed in to the economic assessment. Did ask this year but didn't happen.
- For the future it would be nice if partners could work towards getting 'Cyclists Welcome' accreditation.

Safety Advisory Group

- Ironman document store was difficult to access initially and then the plans were not put on the site. Version 3 of the Risk Assessment was not issued until 5th July – a few days before the event. No replies from Jeff Protheroe – nothing all in one place.
- No stewarding plan received so unaware of what briefing was given to stewards. Stewards again seemed to be lacking in local knowledge and there were some issues with language problems. Need a pack containing local knowledge.
- Route specific risk assessment should have picked up e.g. Church Street issue in Usk and the Llanccayo travellers site.
- All piecemeal – no overarching documents.
- Contact with pubs generally generated a negative response. Glen yr Afon closed on the day for lunch – reporting a significant loss of income.
- Ian S felt that all the changes at Run 4 Wales – comms / traffic management leads etc. led to poor planning. Everything works locally because MCC manage the event internally and are able to address issues as they arise. The MCC Steering group is vital to the success of the event being delivered locally.

Emergency Planning

- The event plans were not issued within the timeframes given.
- The Magor closure times were confusing and not clarified until quite a late stage and there was an issue on the day relating to Traffic Orders/Instructions for the management of the 'fixed' traffic lights.
- Replies from Run 4 Wales to queries raised were not always prompt or forthcoming.
- Last minute changes to Velothon Plans – need to be made aware when revisions are posted on the Ironman document store.
- Event contacts directory only issued on the Friday afternoon before the event.

- Agendas / meeting notes from the Velothon Subgroups often not circulated until day before the next meeting – hence difficult to keep up with the issues. In addition – some decisions made at these meetings were changed – but not always communicated. Need to include names of attendees on the minutes in addition to the organisation being represented.
- Cost/time spent by MCC staff to assist in facilitating the event. It is difficult to measure the cost benefit of MCC staff time without data provided from Velothon on the benefits brought into the authority area.
- The Tumble was a full day closure – greater liaison with residents required.
- Short route was a surprise! i.e. not agreed initially and introduced after the route was announced and length of ‘short route’ was incorrect.
- Signs still up on the A4042 a week after the event.
- Clarity needed on engagement from within MCC – who replies to complainants? A single voice needed and clarification of individual responsibilities. Sometimes felt that it was not always clear who was dealing with matters arising internally, for e.g. engagement with residents and Traffic Orders.
- With the inability to rely on Velothon sub-group minutes – MCC reps that attend all external related Velothon meetings to note and share key points / concerns with MCC Corporate group as they arise.
- Designated Single Point of Contact in Run 4 Wales for each authority would be beneficial to address issues raised.
- Recognise that Community Councils are only one avenue of engagement – publication of meetings could be wider. Continued engagement with all residents.

Commissioned Services

- All went well this year – left it later to contact everyone firstly by telephone call and then by follow up email. One complaint about Allied Healthcare was raised by the Chronicle but this was unsubstantiated with no evidence. No complaints or issues received on the day.

Car Parks

- No problems and no complaints received from residents over the car park closures. Space needed to be reserved in Maryport Street South car park for the infrastructure to be delivered which had to be done on the Friday as staff don't work on the weekend.

Cllr. Greenland

- Less complaints this year.
- Businesses en-route are losing money each year – could a different route be found for next year?
- Litter seemed better along the whole route.
- Approval for the event going ahead next year will have to be approved by members at full council. If there could be a start in Monmouthshire with agreed benefits then that may sway members to approve it going ahead.
- In Usk only 2 cyclists came through between 12 noon- 12.30pm. Could the road be opened earlier and stragglers go through with care? Road closure advertised until 1.30pm so pubs etc. closed for lunchtime trade when realistically they could have opened.
- Recommendation to Velothon: for the professional race not to go ahead meaning the Tumble could open at lunchtime.
- The Usk Bike Off was brilliant - initiative makes a huge difference to how the event is perceived. A positive event for the whole county.

5. Welsh Government / Run4Wales Debrief

- Welsh Government/Run4Wales will be holding an independent debrief in August (date to be arranged). It was agreed that Ian Saunders would attend to represent Monmouthshire and feed in the issues arising from this debrief – depending on date and availability.

6. Complaints / Compliments from the 2017 Event

Only one official complaint received relating to the small font size on the signage around Newbridge on Usk.

7. Any Other Business

- IH to email service areas not present at the debrief to collate their comments on the event and to add to these notes if required.
- IH to email all service areas involved in the Velothon asking for costs incurred in planning and responding to the event – over and above normal day to day costs.
- **Tour of Britain** – Sunday 10th September. Coming into the county at Skenfrith and making its way down through Llanarth, Chainbridge, Usk, Llangybi and on to Caerleon. The race will be operated under a rolling road closure lasting approx. 30 mins. Usk TC to promote and move bikes along the route.
- Isobel Brown gave her thanks for the invite to the debrief which proved an excellent example of partnership working.

8. Way Forward

- JD to collate Monmouthshire's comments/views and circulate with the group.
- Ian Saunders to attend the multi-agency debrief organised by Welsh Government and to consider a 'final' / formal corporate report which can be made publically available if requested / or required.
- IH thanked everyone for their attendance and contribution to the debrief.

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VELOTHON WALES 2017

Debrief Summary

The attached document is a summary of the comments received from the following organisations and is intended to stimulate discussions and identify improvements to the Velothon Wales moving into both 2018 and beyond. It is not intended to be a verbatim record of the comments received from every agency.

Responses received from:

Newport CC

Cardiff CC

Torfaen CC

Monmouthshire CC

Caerphilly CC

SWFRS

Welsh Ambulance

Welsh Cycling

Welsh Government and SWTRA

Heddlu Gwent Police (they have asked for V1 to be held prior to meeting)

Gwent Doctors Out of Hours

Run4Wales

Governance Arrangements, Planning Structures and Engagement with Stakeholders

What Went Well.

Broadly the partners felt the current meeting structure worked well and it was perceived that the Steering Group was better when chaired by WG rather than Ironman but as it focused on the top line issues with detail being worked through the operational groups.

Having one group structure was felt to be beneficial to all parties for widest communication but frequency of meetings could be further amended as a number were correctly postponed. They were supported by 1 to 1 meetings particularly around Traffic Management. Having a single point of contact was also successful when ED was not available.

The tabletop exercise was seen as beneficial and at an appropriate level. The move to Leckwith for event control was also seen as very beneficial.

What did not go so well

There was significant concern around the circulation of documentation from the event organisers with concerns that it was frequently too late for consideration prior to meetings and project plans, whilst better, still needed to be improved.

The use of a single location for the storage of documents was an improvement, once all could access it. Some of the key documents were very late for final versions, such as the risk assessment, and some were not circulated within the timeframes given.

Key Lessons for 2018.

Maintain Steering Group, with WG involvement, to hold event organisers to account.

A single point of contact for each authority from Run4Wales team.

Early distribution of documents, esp minutes and meeting papers, and agreed timelines for document preparation and circulation.

A single location for document storage with notification when changes have been made.

Action Plan for 2018

- **Steering Group to be chaired by WG.**
- **Reduction in number of meetings to 3**
 - **Initial Meeting in October**
 - **Interim Meeting on Progress – January**
 - **Final Meeting - May**
- **SPOC appointed by R4W for each authority**
- **Project Plan prepared for first meeting of steering group**
- **Agreement for all minutes and agendas circulated one week before meeting**
- **Single Storage Point to be identified and agreed by first meeting.**



Roles, Responsibilities and Accountability

What Went Well

Most of the issues had been covered on previous heading.

What Did Not Go So Well

The relationship between the Event Organiser and public, some still perceive the LA as the organiser, needs to be re-focused.

The LAs put in significant amount of effort and planning to facilitate the event but the legacy benefits, as part of the EIA, are less clear outside of Cardiff. There is still a perception from some key businesses that they are disadvantaged unnecessarily and have no recourse.

Litter and toilets were also seen as an issue again.

Key Lessons Learnt

Wider contact with the communities so there is clarity over the roles of the Event Organisers v LA.

Further improvement in waste management to reduce litter and increase, further, the number of toilets.

The sight and input to the EIA as early as possible to be able to gauge the benefit to local communities.

Increase local support for events to maximise the benefits of the road closures.

Action Plan for 2018

- **Correspondence with communities to reinforce planning is managed by Run4Wales and not Local Authorities**
- **Wider consideration for an increase in toilets and litter collection around the route with details provided to participants.**
- **Widest and earliest circulation of EIA**
- **Work with Marcomms group to highlight the Usk experience and coordinate opportunities for other target communities.**



Traffic Management Planning inc Stewarding and Pre – Event Business and Resident Contact

What Went Well

The earlier release of road closure timings was beneficial to the community in allowing them to plan. The quality and content of the leaflets was an improvement on 2016.

The use of the rolling road closure for the Pro Race allowed the roads to be re-opened sooner and reduced the impact.

Engagement with those watching the event was warmly received by the community, particularly children.

Communication with care providers worked well and was a significant improvement on 2016.

What Did Not Go So Well

There was no stewarding plan available to consider and the TMP, other than detailed plans, was not prepared to an expected level. The quality and capability of some of the stewards was significantly worse than 2016. Some had limited to no English, were late arriving on their positions and did not appear to have briefed the stewards.

The relationship between crossing points and ELAPS needs to be improved, or clarified, as there were some key points where carers could not gain access in and out even though they had the relevant pass. Some of the stewards began allowing crossings, where no approved, to try and alleviate the queues which only enhanced the problems.

There were key viewing areas where there was limited, to no, protection and potential for children to wander into the route. These unofficial viewing areas then caused littering additional to that left by the cyclists.

Some of the closure infrastructure was installed in advance of the closure times but it wasn't clear that the roads were still open. This could be included in the communication to the public.

The use of one of the feed stations had changed and caused cyclists to queue back into the road with inherent risks.

The "short route" was announced prior to being agreed to and was incorrectly called the 110km. This meant some of the cyclists were not as prepared as they could be.

Some of the signage was still displayed up to a week after the event and official complaint over the quality of the signs.



There is a need to confirm Welsh Translations with some of the authorities earlier to ensure the approved wording is displayed.

Key Lessons Learnt

A TMP, in addition to the route maps, needs to be prepared and circulated. Other key documents such as the stewarding plan and localised risk assessments also need to be prepared and circulated with time for their consideration.

The quality and capability of stewards needs to improve. They need to be aware of their location, speak English and have sufficient briefing to be able to advise public of alternative routes.

Leaflet to public should include reference to the potential for infrastructure to be installed early but roads are not closed until the official time. If ELAPs are put in place then they should be adhered to and only relevant access allowed.

If there is no pro race the timings of the event need to be reconsidered to minimise the length of overall road closure whilst still ensuring it is safe for participants.

Action Plan for 2018

- **Confirm early that there is no pro race and formalise routes**
- **Actively consider a short route, around 50km, to widen the involvement in Velothon**
- **Confirm in leaflets that whilst infrastructure for road closures may be put in place roads are still open until the cut off time**
- **TM Company to prepare a Traffic Management Plan as well as the detailed plan**
- **Stewarding needs a significant refresh. Actively look at localisation of recruitment and training as well as preparation of Stewarding Plan.**
- **Consider the impact on road closure timings by withdrawal of pro race.**



Communications and Publicity

What Went Well

Communication with the carers was improved, although undone on the day by poor stewarding, and the wider business and resident community through timely and more detailed leaflets.

There was a significant improvement in the social media sentiment to the event, up from 21% to 69% and a reduction in negative press mentions from 44% to 25%.

The Cycle Usk was a significant success with both community and school involvement. Over 100 old bikes were painted and displayed around the town with a series of events in the run up to the event. This increased the number of “on the day” supports and was widely commented on by the participants.

The school engagement worked well in places and was supported by Welsh Cycling. Some of the school events are continuing through to September.

What Did Not Go So Well

The event needs to be promoted as early as possible with clarification over the two event lengths and differences identified from the start so participants are aware of what they are signing up to.

The communication with key media, specifically the Abergavenny Chronicle, needs to be developed and active consideration with direct contact with those who publicly voice their objections to the event.

The website was poor and changes took significant time to be achieved.

Details of those seriously injured should be known and updated more frequently as it is a cause of concern with community and councillors.

Key Lessons Learnt

Despite the existence of the Comms Group there is a perception that the direct communication can be improved with key newspapers more closely engaged.

Whilst the community councils are important wider engagement up to and including public meetings may improve relationships with those currently against the event.

When community engagement is adopted by the community it can achieve significant improvements as borne out in Usk. This should be learnt from and the model followed more widely in 2018.



It would help if participants details are opened to local authorities to allow direct marketing from the LAs around events in and around the route.

If viewing locations are promoted then there should be an accompanying risk assessment and welfare facilities, toilets etc, in place at event organisers expense.

It would help if the stewards had a small number of maps of alternative routes available to provide to motorists.

Action Plan for 2018

- **Develop an engagement strategy with communities and media to increase understanding of the event and benefits to community.**
- **Expand the success of Usk to other key communities along the route supported by LAs.**
- **Include request to share information with LAs as part of the enrolment procedure on Active.**
- **Actively consider alternative community meetings in key/ problematic areas.**
- **If viewing areas are highlighted in 2018 there needs to be a linked plan for each.**
- **Resident Comms to be part of the Route and Start finish meetings within Ops rather than MarComms**



Any other comments

Overall the organisational arrangements are improving and complaints are reducing significantly. However, the plans need to be prepared and circulated to and agreed time schedule.

The Velonteers did a sterling job and, in some cases, were doing more than paid stewards.

The event lends itself to wider engagement with Welsh cycling clubs. Their promotion and participation programmes would benefit in reducing some of the antisocial behaviours, littering and urinating etc, that cause issues for the event organisers.

Dropping the Pro Race is an opportunity to focus on community cycling and would allow the introduction of a short route event which would improve the image of the event.

The use of the Run4Wales offices for event control worked well with all agencies co located and aware of all developments throughout the day. The access and support were excellent and made the day go quickly. The hourly updates meant all parties were aware and the "live" updates of locations of the participants and pro race meant requests for information were reduced.

Arrangements with Gwent Police

There were some police specific discussions primarily around the request for Police resources, and the delay in formalising arrangements which impacted on the number of staff required for the Pro Race. Specifically the delay in agreeing the SPS between the event organiser and the Police meant none of the Police resources were sourced in time.

There was a concern that recommendations from previous events and debriefs had not been adopted in full as the same issues came up in 2017 as in previous years.

A consideration for subject matter experts chairing the sub groups to ensure there is a knowledgeable person.

The use of a SeCCO to assess the event and check route pre-event was a significant asset.

Suggested to change lead Force back to South Wales for 2018.

Significant and accurate negative assessment of the stewards within Caerphilly area.

Action Points for 2018

Governance

- Steering Group to be chaired by WG.
- Reduction in number of meetings to 3
 - Initial Meeting in October
 - Interim Meeting on Progress – January
 - Final Meeting - May
- SPOC appointed by R4W for each authority
- Project Plan prepared for first meeting of steering group
- Agreement for all minutes and agendas circulated one week before meeting
- Single Storage Point to be identified and agreed by first meeting.

Roles and Responsibilities

- Correspondence with communities to reinforce planning is managed by Run4Wales and not Local Authorities
- Wider consideration for an increase in toilets and litter collection around the route with details provided to participants.
- Widest and earliest circulation of EIA
- Work with Marcomms group to highlight the Usk experience and coordinate opportunities for other target communities.

Traffic Management

- Confirm early that there is no pro race and formalise routes
- Actively consider a short route, around 50km, to widen the involvement in Velothon
- Confirm in leaflets that whilst infrastructure for road closures may be put in place roads are still open until the cut off time
- TM Company to prepare a Traffic Management Plan as well as the detailed plan
- Stewarding needs a significant refresh. Actively look at localisation of recruitment and training as well as preparation of Stewarding Plan.
- Consider the impact on road closure timings by withdrawal of pro race.

Communications and Publicity

- Develop an engagement strategy with communities and media to increase understanding of the event and benefits to community.
- Expand the success of Usk to other key communities along the route supported by LAs.
- Include request to share information with LAs as part of the enrolment procedure on Active.
- Actively consider alternative community meetings in key/ problematic areas.
- If viewing areas are highlighted in 2018 there needs to be a linked plan for each.
- Resident Comms to be part of the Route and Start finish meetings within Ops rather than MarComms

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VELOTHON 2017 – Comms & Engagement Update

Abby Barton - July 2017

To engage with the Monmouthshire community, to transform previous negative perceptions of the event

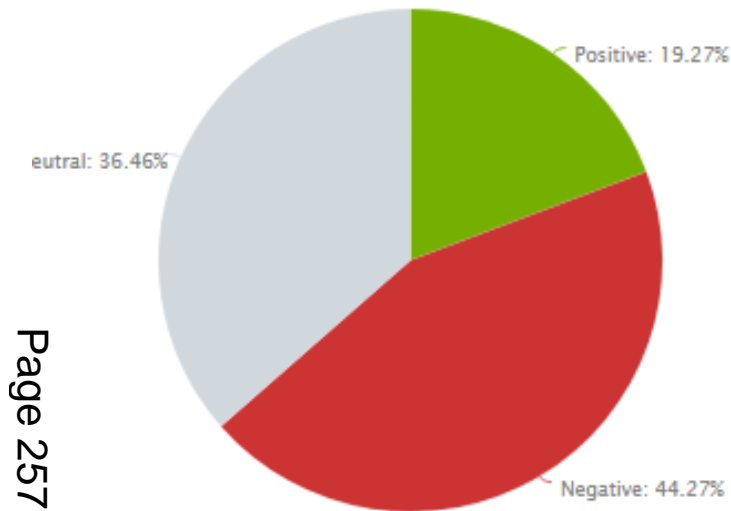
- To launch community engagement activity earlier in the year to involve community groups
- To create excitement and enthusiasm on the approach to the event to send out a 'cycling friendly' message to ensure Monmouthshire benefits from an influx of cyclists training for the event
- To make the most of the commercial opportunities that the Velothon represents on the day of the event itself, through encouraging local people and residents to make the most of closed roads

To attract more visitors to Monmouthshire

- To encourage people training for the event to visit Monmouthshire and spend time exploring the area, cafes, restaurants and pubs

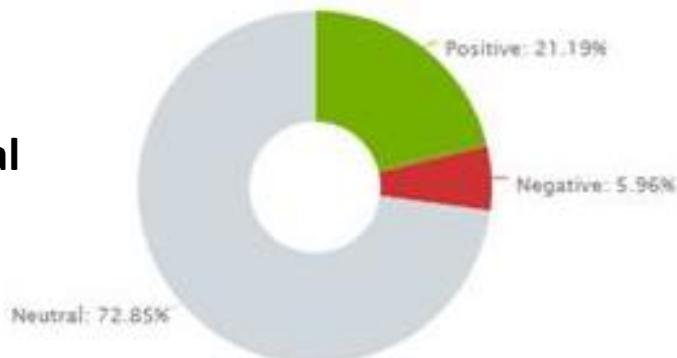
Scoping the business problem

2016 Press coverage



Source:
Meltwater

2016 Social media coverage



Background:

- In 2016 Monmouthshire's opinion was divided. People either loved or loathed the Velothon. Negative comments on social media were accompanied by passionate, positive responses by others
- Press coverage reflected this division with **44.2% negative and 19.2% positive** mentions of the Velothon in relation to Monmouthshire in the press and 21.9% positive mentions on social media
- Frustration was voiced by residents about the threat of closed roads in the Llanfoist, Usk and Goytre communities in particular

Evolving a community communications & engagement strategy and plan

17 th Jan 2017	Early community engagement – public meeting in County Hall
6 th March - meeting held with Usk Town Council	Cycle Usk team created - including MCC, Velothon, Usk Town Council and local cyclists
April 2017	Engagement strategy produced and community outreach work evolved with Usk Primary School and Cycle Usk team
12 th May	'Bike off' event held at Usk Primary School
w/c 22 nd May	Beautifully decorated bikes start appearing in Usk – coverage secured of the event
May/June/July	More and more bikes appear, the treasure hunt begins and bespoke cycle routes are launched Positive PR issued to create more positive buzz on the approach to the event Staff engagement – championed with a staff competition Schools engagement – via Welsh Cycling events in local schools (this legacy will continue into September with follow-up sessions planned)
9 th July	Supporters fill the roads in Usk with a festival feel. Great to welcome TV and press journalists to Monmouthshire

Results: Bike off success



The Great British Usk Bike Off!

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VELOTHON WALES

Join us at Usk Primary School for a 'Bangers and Bikes' decorating party between 3.30 – 5.30pm on Friday 12th May 2017

Come along to decorate old bicycles which will welcome visitors to Usk this summer for the Velothon which is being held on Sunday 9th July.

Old bicycles and some paint will be provided. Please bring along brushes and recycled materials to be upcycled. Please come along wearing VERY old painting clothes and join the fun.

For more information please contact: usktowninfo@gmail.com

Monmouthshire Air Fynwy logo and Usk Town Council logo

Sea of colour to welcome cyclists



COLOURFUL: Old faded bikes, Mattie Howells and Chloë Jones (middle), Mayor of Usk, outside the Sessions House which is on the cycle route.

By Neil Griffin
0950 777048
neil@monmouthshire.gov.uk
Twitter: @neilgriffin

Party to promote the Velothon and decorate town bikes to be displayed around the town in the weeks to the summer week.

Mayor Mattie Howells and Chloë Jones (middle) at the session, surrounded by 'cyclists' around the without shape of the Velothon.

"I'm very proud of the support" surrounding the Velothon and the fact that it will be held in the town.

NATURE: The old used bikes will encourage more people to cycle around the town.

- Local families, local residents, and Usk Town council all joined the event and follow-up event
- Good social media and press coverage generated

Monmouthshire Free Press

Wednesday 3rd May 2017

County gearing up to welcome the Velothon



FAMILIES, community groups and local businesses in Monmouthshire are getting ready to welcome cyclists training and participating in this year's Velothon Wales 2017 to be held on Sunday 9th July.

A 'Cycle Usk' team will decorate the town and encourage local enterprises to welcome people training for the event - as well as spectators on the big day - and boost local business.

Monmouthshire County Council's recycling and waste teams are currently saving old bikes left at waste disposal areas.

Usk's community will decorate these for display around the town from June to welcome cyclists during training and on the day of the event itself.

Usk Primary School is hosting a 'Bangers and Bikes' party between 3.30pm and 5.30pm on Friday 12th May to decorate cycles.

Paul Matthews, the council's Chief Executive said: "Monmouthshire sends a warm welcome to people training for the Velothon in our beautiful county - the perfect setting for cyclists to prepare for this summer's event."

"We have many wonderful cycling friendly cafes, restaurants and pubs so I would encourage everyone to stop for a coffee, cake and rest."

"Any communities who would like to decorate their towns, villages or streets are urged to contact us and we will be happy to provide bikes donated or rescued at our recycling centres to replicate Usk's approach."

Nigel Russell, the event director for Velothon Wales commented: "Monmouthshire always goes the extra mile to make riders and supporters feel welcome, and we cannot wait to see some of the creations as cycling continues to make a positive impact on the county."

Any donations of paint, brushes, or craft materials to decorate bikes will be welcomed.

For donations or to get involved with up-cycling some bikes, decorating other towns, villages or streets email communications@monmouthshire.gov.uk

Results: Bike off success



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- Social media coverage on the MCC, Usk Town Council pages and Velothon pages
- **Walesonline covered** the ‘bike off’
- **Dedicated cycle routes** produced and shared
- Local businesses and residents all got involved and provided their support
- **Cyclists start stopped in Usk** as part of training
- **BBC2** have been filming in Usk with local children as part of a ‘preparation for Wales in Bloom’ programme
- **Economy Secretary Ken Skates said:** *“I’m delighted that the people of Monmouthshire are embracing and celebrating the arrival of the Velothon in such varied and creative ways. This welcome will no doubt leave an impression on the cyclists and spur them on and will create a great atmosphere for local people during the event. Spectators in Wales usually give visitors and home-grown competitors alike a real warm Welsh welcome and can add to a fantastic atmosphere, and we’re looking forward to a legendary Velothon Wales this year.”*

Results: the day went well in Usk



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- **Reach of 46,400** generated on the MCC Facebook page and **43,262 impressions on Twitter** from the event
- **Party atmosphere in town** as people filled the streets
- **Local businesses opened** for business so spectators could make the most of the day
- Cyclists were overheard saying *'this place is great'* and seemed to be really enjoying it
- Feedback was received: *"Have to thank everyone in Wales for all the support. In other locations you get tacks on the road. In Wales you get shouts of encouragement, flag waving, bunting, painted bikes lining the route, it was like a stage of the Tour de France. Thanks to all involved on a top event, felt like a pro rider for the day."*

freepressories.co.uk
Wednesday, July 12, 2017



Cyclist greets the son of a local shopkeeper, left



Bob Greenwood greets the Velothon riders in Usk, Powys, Monmouthshire County Council

Cyclists enjoy 'best event yet'

By Neil Griffiths
neilgriffiths@freepress.co.uk

THOUSANDS of cyclists and thousands of spectators took part in the annual Velothon in Usk, Powys, on Sunday.

Organised by the Usk Velothon Society, the event has grown from a small local affair to a major regional event.

The annual event, which has been running since 1981, is the largest of its kind in the region.

The event is a family affair, with children and adults alike taking part in the various events.

The organisers are pleased with the turnout and the support from the local community.

The event is a great way to raise money for the local charities and to promote cycling in the area.

The organisers are looking forward to next year's event and hope to see even more people taking part.



Men's team finish the event



Spectators cheering passing Velothon riders



Five cyclists in Usk Square, Usk

Thursday, July 6, 2017
southwalesargus.co.uk/news

Wheely colourful bikes greet Velothon riders

Ahead of this weekend's Velothon, the organisers of Usk came together to turn some old bikes into works of art. Now you have the chance to hunt the bikes

A TEAM has been together to get creative for an annual event.

Some 1,000 people are expected to take part in the weekend's Velothon, which will be welcomed by some very colourful bikes when they arrive in Usk.

The organisers hope to see a lot of people taking part in the event, which will be held in Usk Square, Usk, on Saturday and Sunday.

The event is a family affair, with children and adults alike taking part in the various events.

The organisers are pleased with the turnout and the support from the local community.

The event is a great way to raise money for the local charities and to promote cycling in the area.

The organisers are looking forward to next year's event and hope to see even more people taking part.



BLOOMING: Upcycled flowers in Usk with their colourful bike



GREEN: The market table certainly includes the Velothon



ROADWARRIORS: The team whose bikes take to the road



CREATIVE: Bikes of the future you have had on the road

For all the latest news log on to southwalesargus.co.uk/news

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Overall performance: this demonstrates the power of effective social media to drive positive digital engagement

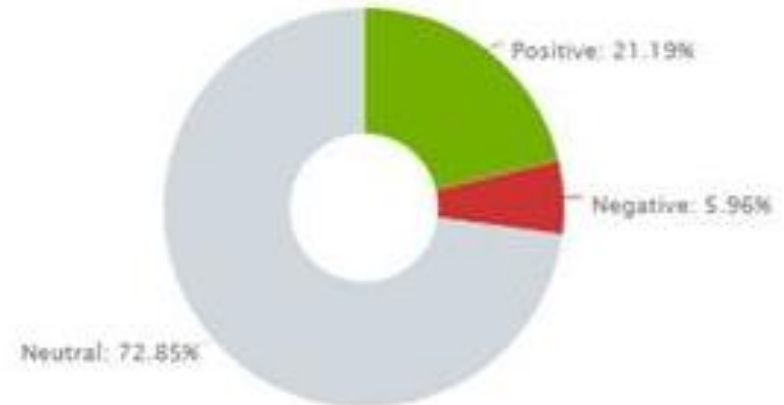
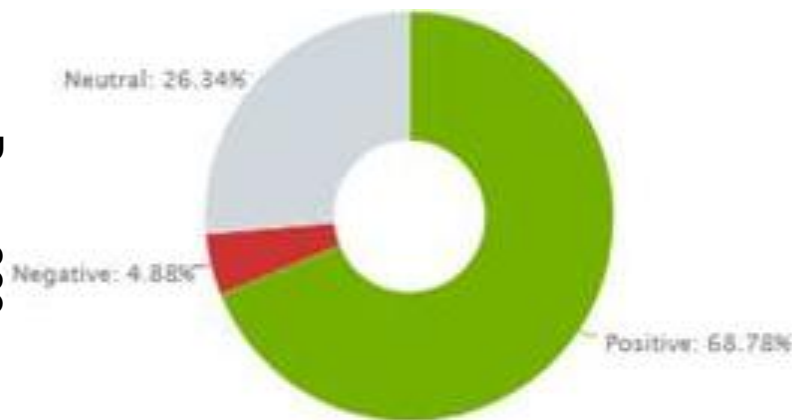
Source: Meltwater

Social media sentiment

2017

2016

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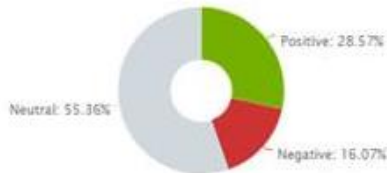
- The effective partnership between MCC, Usk Town Council and the Velothon team has proved to be effective
- The positive community engagement has increased positive social media sentiment about the Velothon in Monmouthshire from 21.19% to 68.78%

Overall performance: this year negative press mentions about have significantly dropped – particularly in Usk where the ‘Bike Off’ was held

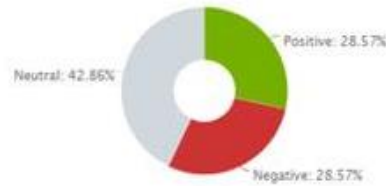
Source: Meltwater

2017

Usk Sentiment 2017



Llanfoist Sentiment 2017

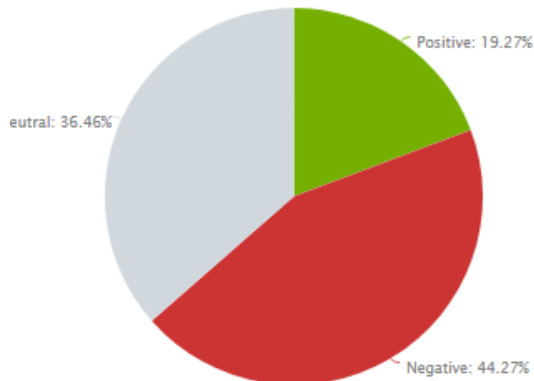


All Areas Sentiment 2017



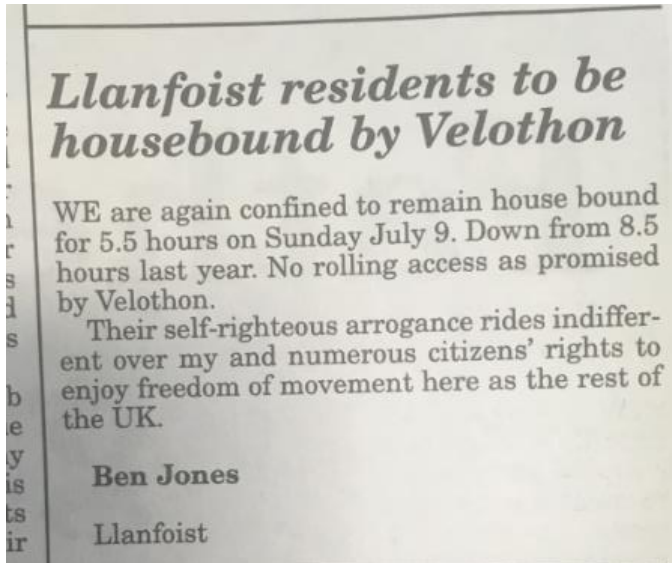
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2016



- Negative mentions of the Velothon have dropped dramatically from 44.27% to 25.95%
- Positive mentions have increased from 19.2% to 22.27%
- The community activity in Usk has particularly improved perceptions with 28.7% positive mentions (v. 22.7% general feedback) and only 16.06% negative references

Even better if: a better relationship is developed between the Velothon and the Abergavenny Chronicle and some frustrated residents



Recommendation:

- 1) The Chronicle are a key title for Monmouthshire CC so they will need to be managed more closely in 2018 to reduce negative PR
- 2) Direct contact to be made by the Velothon to residents who have voiced their concerns to prevent 'letters to the editor' (Abergavenny Chronicle and Argus), frustrated emails and negativity around businesses not being able to trade editor not being able to work due to road closures

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Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer completing the evaluation Ian Saunders</p> <p>Phone no: E-mail: iansaunders@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To consider implication for Velothon 2018</p>
<p>Name of Service</p> <p>Tourism Leisure & Culture</p>	<p>Date Future Generations Evaluation form completed</p> <p>01/09/2017</p>

NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan, Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc

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Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.





Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The positive impact is the event is one of the largest events of its kind in the world.</p> <p>The start and finish of the event at Cardiff does take away from the other Local Authorities opportunities to largely benefit from the event.</p>	<p>An early decision made to host the event through Monmouthshire and to continue to host the event for the remaining 3 years of the contract.</p> <p>Ensure via steering group and structure that Monmouthshire's recommendations identified in the event debrief are acted upon.</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)		
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	To better use the event at a local level to encourage children, young people and families to engage in cycling.	Work could be undertaken, as part of the Active Travel consultation, within the locality, to link the benefits of walking and cycling to the prestigious annual event. A commitment from the organisers, to deliver a series of community events, engaging local schools and communities.
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The event travelling through the county emphasis the unique offer and work is being undertaken to promote return visits, especially from first time visitors.	A detailed ROI report provided and shared by the organisers with Council and local communities. This will be available shortly for 2017 event.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The wider aspects of the event encourages support from rider families, supports and local communities to come together to make the most of the event.	An early decision will give the organisers scope to deliver a number of messages to communities, Wales and the world.
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Monmouthshire, renowned for its cycling culture and history enhances the overall route. The climb at the Tumble has been named in the top 10 mountain climbs in the world (Cycling weekly article, 2014).	An early decision will give the organisers scope to deliver a number of messages to communities, Wales and the world. As well as communicating with communities on access. There organisers needs an event

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
		marketing strategy, demonstrating local unique selling points.
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p><i>This includes the protected characteristics of age, disability, gender reassignment, race, religion or beliefs, gender, sexual orientation, marriage or civil partnership, pregnancy or maternity</i></p> <p>The event has changed and is not having pro races so is concentrating on potential engagement with local communities, to make the best of the road closures and major event could benefit everyone. Mass participation.</p>	<p>An early decision will give the organisers scope to deliver a number of messages to communities, Wales and the world.</p> <p>As well as communicating with communities on access. There organisers needs an event marketing strategy, demonstrating local unique selling points.</p>

9. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Balancing short term need with long term and planning for the future</p>	<p>An early decision made to host the event through Monmouthshire and to continue to host the event for the remaining 3 years of the contract.</p> <p>An early decision will give the organisers scope to deliver a number of messages to communities, Wales and the world.</p>	<p>To take on board Monmouthshire's recommendations identified in the event debrief.</p> <p>To continual review the route, feedback and learn each year.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>A new governance structure was implemented by WAG to oversee the delivery of the 2016 event which included a Steering Group made up of representatives of the host Local Authorities, blue light services and governing bodies together with the event organisers.</p>	<p>A detailed debrief was undertaken on 2016 and 2017 and each local authority had the opportunity to input local feedback.</p> <p>A detailed proposal of Velothon 2018 shared with colleagues and communicated widely will enable buy-in to the event.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>An internal debrief was gathered and fed into the overall event debrief. The event will publish a report for Velothon 2017.</p>	<p>Communicate the Velothon 2017 report widely and key officers and members having the opportunity to challenge the report.</p> <p>Demonstrate a balance of the report to local communities.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>By engaging communities to see the benefits of cycling rather than the fact the road closures are preventing them from going out.</p>	<p>By getting more people interested in sport and physical activity through the medium of cycling it could lead to health benefits and prevention on illness caused by inactivity.</p> <p>By getting population to ride hopefully this could lead to a cut down of non- essential car journeys which has positive impact on pollution</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>		<p>Run4Wales and LA's discussing work with public health and other partners</p>

3. **Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below. For more detailed information on the protected characteristics, the Equality Act 2010 and the Welsh Language Standards that apply to Monmouthshire Council please follow this link:<http://hub/corporatedocs/Equalities/Forms/AllItems.aspx> or contact Alan Burkitt on 01633 644010 or alanburkitt@monmouthshire.gov.uk

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	<i>Consider the impact on our community in relation to this e.g. how do we engage with older and younger people about our services, access issues etc. Also consider what issues there are for employment and training.</i>	Due to the road closure over a number of hours (most of the day), some areas are 'land locked'. Run4Wales are preparing a community and engagement plan including dedicated material for distribution, website and communication plan.	Access to blue light services at all times. Arranged access for care agencies to carry out their normal duties. Local emergency access points. Where local people can get in and out. Share information as early as possible, with houses based on the route.
Disability	No impact.	As per communities that have road closures essential that good communication and plans are in place	As above
Gender reassignment	No impact.		
Marriage or civil partnership	No impact.		
Pregnancy or maternity	No impact.		
Race	No impact.		

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Religion or Belief	No impact.		
Sex	No impact.		
Sexual Orientation	No impact.		
Welsh Language	<p><i>Under the Welsh Language measure of 2011, we need to be considering Welsh Language in signage, documentation, posters, language skills etc. and also the requirement to promote the language.</i></p> <p>All information for the event is bilingual.</p>		

4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance <http://hub/corporatedocs/Democratic%20Services/Safeguarding%20Guidance.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?

Safeguarding	<i>Safeguarding in this context applies to both children (not yet reached 18th birthday) and vulnerable adults (over 18 who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself or herself, or unable to protect himself or herself against significant harm or serious exploitation.)</i>	Due to the road closure over a number of hours (most of the day), some areas are 'land locked'.	<p>Access to blue light services at all times.</p> <p>Arranged access for care agencies to carry out their normal duties.</p> <p>Local emergency access points. Where local people can get in and out.</p> <p>Share information as early as possible, with houses based on the route.</p>
Corporate Parenting		Due to the road closure over a number of hours (most of the day), some areas are 'land locked'.	<p>Access to blue light services at all times.</p> <p>Arranged access for care agencies to carry out their normal duties.</p> <p>Local emergency access points. Where local people can get in and out.</p> <p>Share information as early as possible, with houses based on the route.</p>

What evidence and data has informed the development of your proposal?

The event is entering it's 4 year and several changes and lessons have been learnt. The previous debriefs, communication and engagement plans have been undertaken.
WG have continued to partner (now with Run4Wales) organisation to deliver the Velothon and Local Authorities have supported plans.

6. **SUMMARY:** As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

Ensure Run4Wales and MCC services and partners consider the action points made after the debrief.

7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
Organise MCC meeting dates to ensure key members of internal group are available for Velothon 2018 planning	After decision	Ian Saunders (at present time)	

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MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	WG evaluation document expected Oct2017 and Debrief 2018
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9. VERSION CONTROL: The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
	<i>Council September 2017</i>	5 th Sept consultation	<i>This will demonstrate how we have considered and built in sustainable development throughout the evolution of a proposal.</i>

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SCHEDULE 12A LOCAL GOVERNMENT ACT 1972 EXEMPTION FROM DISCLOSURE OF DOCUMENTS

Meeting and Date of Meeting: County Council 21st September 2017

Report: City Deal CSC – Project Payment Guarantee

Author: Kellie Beirne

I have considered grounds for exemption of information contained in the background paper for the report referred to above and make the following recommendation to the Proper Officer:-

Exemptions applying to the report:

Commercially sensitive information contained.

Factors in favour of disclosure:

Prejudice which would result if the information were disclosed:

Compromise delivery of city deal project bringing in £400m+ worth of private sector investment into region

My view on the public interest test is as follows:

Recommended decision on exemption from disclosure:

Date: 07th September 2017

Signed: Kellie Beirne

Post: Chief Officer Enterprise and Deputy CEO

I accept/I do not accept the recommendation made above

Signed:

Date:

7/9/17 -

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