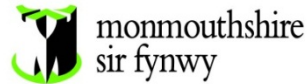


Public Document Pack



Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

Dydd Mercher, 12 Medi 2018

Hysbysiad o gyfarfod:

Cyngor Sir

Dydd Iau, 20fed Medi, 2018 at 2.00 pm,

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.

Eitem No	Eitem	Tudalennau
1.	Ymddiheuriadau am absenoldeb	
2.	Datganiadau o Fuddiant	
3.	Fforwm Agored i'r Cyhoedd	
4.	Cyhoeddiad y Cadeirydd a derbyn deisebau	1 - 2
5.	Sir Fynwy - 10 mlynedd fel Sir Masnach Deg	3 - 6
6.	CYMERADWYO ARIANNU CYFALAF AR GYFER Y CYNLLUN GWELLA TRAFNIDIAETH A40'R BONT AR WY	7 - 54
7.	Datganiad Cyfrifon 2017/18	55 - 182
8.	AMCANION A DATGANIAD LLESIANT - ADRODDIAD BLYNYDDOL 2017/18	183 - 244
9.	ADNEWYDDU NEUADD Y DREF Y FENNI	245 - 260
10.	MYND I'R AFAEL Â'N DIFFYG CYFLENWAD PUM MLYNEDD O DIR AR GYFER TAI - DULL SIR FYNWY O YMDRIN Â SAFLEOEDD TAI HEB EU NEILLTUO	261 - 288
11.	CWESTIYNAU'R AELODAU:	
11.1.	O'r Cyngorydd Sirol M. Feakins i'r Cyngorydd Sirol R. John A fyddai'r Aelod Cabinet dros Blant a Phobl ifanc yn rhoi'r wybodaeth	

	ddiweddaraf i ni am sut y mae myfyrwyr a staff yn ymgartrefu yn yr Ysgol Gyfun Trefynwy newydd?	
11.2.	O'r Cynghorydd Sirol L. Jones i'r Cynghorydd Sirol R. John A fyddai'r Aelod Cabinet dros Blant a Phobl ifanc yn rhoi'r wybodaeth ddiweddaraf i ni am y newidiadau diweddar i ddarpariaeth Ilaeth am ddim mewn ysgolion?	
11.3.	O'r Cynghorydd Sirol P. Pavia i'r Cynghorydd Sirol P. Fox A wnaiff Arweinydd y Cyngor ddatganiad am fwrw ymlaen â'r cynigion ar gyfer Ffordd Osgoi yng Nghas-gwent?	
11.4.	O'r Cynghorydd Sirol P. Pavia i'r Cynghorydd Sirol P. Fox A wnaiff Arweinydd y Cyngor ddatganiad am fwrw ymlaen â'r cynigion ar gyfer Ffordd Osgoi yng Nghas-gwent?	
11.5.	O'r Cynghorydd Sirol P. Pavia i'r Cynghorydd Sirol P. Jones A wnaiff yr Aelod Cabinet dros Ofal Cymdeithasol, Diogelu ac Iechyd roi'r wybodaeth ddiweddaraf am y gwaith y mae'r awdurdod yn ei wneud gyda Bwrdd Iechyd Prifysgol Aneurin Bevan i sicrhau hyfywedd hirdymor Ysbyty Cas-gwent?	
11.6.	O'r Cynghorydd Sirol P. Pavia i'r Cynghorydd Sirol R. Greenland A wnaiff yr Aelod Cabinet dros Arloesi, Menter a Hamdden wneud datganiad am y gwaith y mae'r awdurdod yn ei wneud i gefnogi busnesau yng Nghas-gwent?	
12.	Derbyn cofnodion cyfarfod y Pwyllgor Archwilio a gynhaliwyd ar 26ain Gorffennaf 2018	289 - 294

Paul Matthews
Prif Weithredwr

CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Cynghorwyr Sir:

P. Clarke
D. Batrouni
D. Blakebrough
M. Powell
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
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

Ein diben

Adeiladu Cymunedau Cynaliadwy a Chydnerth

Amcanion y gweithiwn tuag atynt

- Rhoi'r dechrau gorau posibl mewn bywyd i bobl
- Sir lewyrchus a chysylltiedig
- Cynyddu i'r eithaf botensial yr amgylchedd naturiol ac adeiledig
- Llesiant gydol oes
- Cyngor gyda ffocws ar y dyfodol

Ein Gwerthoedd

Bod yn agored. Rydym yn agored ac yn onest. Mae pobl yn cael cyfle i gymryd rhan mewn penderfyniadau sy'n effeithio arnynt, dweud beth sy'n bwysig iddynt a gwneud pethau drostynt eu hunain/eu cymunedau. Os na allwn wneud rhywbeth i helpu, byddwn yn dweud hynny; os bydd yn cymryd peth amser i gael yr ateb, byddwn yn esbonio pam; os na allwn ateb yn syth, byddwn yn ceisio eich cysylltu gyda'r bobl a all helpu - mae adeiladu ymddiriedaeth ac ymgysylltu yn sylfaen allweddol.

Tegwch. Darparwn gyfleoedd teg, i helpu pobl a chymunedau i ffynnu. Os nad yw rhywbeth yn ymddangos yn deg, byddwn yn gwrando ac yn esbonio pam. Byddwn bob amser yn ceisio trin pawb yn deg ac yn gyson. Ni allwn wneud pawb yn hapus bob amser, ond byddwn yn ymrwymo i wrando ac esbonio pam y gwnaethom weithredu fel y gwnaethom.

Hyblygrwydd. Byddwn yn parhau i newid a bod yn hyblyg i alluogi cyflwyno'r gwasanaethau mwyaf effeithlon ac effeithiol. Mae hyn yn golygu ymrwymiad gwirioneddol i weithio gyda phawb i groesawu ffyrdd newydd o weithio.

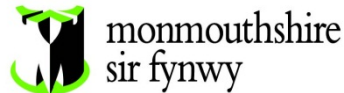
Gwaith Tîm. Byddwn yn gweithio gyda chi a'n partneriaid i gefnogi ac ysbrydoli pawb i gymryd rhan fel y gallwn gyflawni pethau gwych gyda'n gilydd. Nid ydym yn gweld ein hunain fel 'trefnwyr' neu ddatrysyr problemau, ond gwnawn y gorau o syniadau, asedau ac adnoddau sydd ar gael i wneud yn siŵr ein bod yn gwneud y pethau sy'n cael yr effaith mwyaf cadarnhaol ar ein pobl a lleoedd.

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CHAIRMAN'S REPORT 20th July – 8th September

Friday 20 th July 9 a.m.	Official Opening Ceremony of Caldicot School Caldicot School
Monday 23 rd July	Royal Welsh Show Royal Welsh Showground, Builth Wells
Tuesday – Wednesday 24 th – 25 th	Affiliates' Day – HMS MONMOUTH – The Black Duke Portsmouth to Plymouth
Friday 27 th July 7 p.m.	Monmouth Male Voice Choir The Usk Sessions House, Usk
Sunday 29 th July 11.30 a.m.	Powys Civic Service St David's Church, Llanfaes, Brecon
Thursday 2nd August 11 a.m.	<i>Citizenship Ceremony Registrar's Office, Usk</i>
Saturday 11 th August 2 – 4.30 p.m.	Lord Mayor's Summer Strawberry Tea Mansion House, Ffynon, Swansea
Saturday 18 th August 11.30 a.m.	Inaugural Taste of Monmouthshire Shire Hall, Monmouth
Monday 27 th August 5.45 p.m.	Festival Opening Reception – Liturgical Music St Mary's Priory Church, Abergavenny
Saturday 8 th September	Judging at Usk Show 2018 USK
Saturday 8 th September 7 p.m.	Caldicot Male Voice Choir Gala Concert Caldicot Leisure Centre

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SUBJECT:	MONMOUTHSHIRE – 10 YEARS A FAIRTRADE COUNTY
MEETING:	COUNTY COUNCIL
DATE:	20TH SEPTEMBER 2018
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

1.1 To make members aware of our commitments as a Fairtrade county.

2. RECOMMENDATIONS:

2.1 That members note the report and gain an understanding of our commitments as a Fairtrade county.

2.2 That members hear from some local Fairtrade town volunteers about how thinking carefully about what we buy can make a difference to the lives of farmers both locally and across the world.

3. KEY ISSUES:

3.1 Under the Wellbeing of Future Generations Act, public bodies have to demonstrate how they are maximising their contribution to 7 Wellbeing Goals, which include “A Globally Responsible Wales”. One of the key ways which we contribute to the Globally Responsible goal is through our ongoing work to support and promote Fairtrade.

3.2 Fairtrade is about better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world. Fairtrade sets social, economic and environmental standards for both companies and the farmers and producers. For farmers and workers the standards include protection of workers’ rights and the environment, for companies they include the payment of the Fairtrade Minimum Price and an additional Fairtrade Premium to invest in business or community projects of the community’s choice.

3.3 In 2007, following the establishment of enthusiastic Fairtrade Town groups in Monmouth, Chepstow, Abergavenny and Usk, Monmouthshire County Council made a resolution to support Fairtrade and the Fairtrade Foundation awarded us Fairtrade County status. The resolution commits us to the following:

- To provide Fairtrade tea and coffee at all council meetings, offices and canteens.
- To encourage Fairtrade goods being available to customers on Council run premises, as an option, whereby the customer pays for any extra cost.
- To support the local Fairtrade Steering Group in their campaign to make Monmouthshire a Fairtrade County.
- To promote Fairtrade through specific initiatives as appropriate.
- That the Council’s developing Procurement Strategy considers a commitment to Fair Trade.

- 3.4 In 2008 Wales made history by becoming the first ever Fairtrade nation.
- 3.5 To keep our status as a Fairtrade County we have to submit an application and action plan roughly every 2 years, which sets out what work we have done to promote and use Fairtrade. This work is led by the Sustainability Policy Officer who works closely with the county's hardworking Fairtrade volunteers and with Fairtrade Wales. Early in 2018 we celebrated 10 years of being a Fairtrade county.
- 3.6 Work that has been undertaken within the council to raise the profile of Fairtrade has included the following:
- Only purchasing Fairtrade tea, coffee and sugar for council meetings.
 - Working with vending machine suppliers to ensure Fairtrade products are used.
 - Regular sales and events to raise awareness amongst officers and members.
 - Working with Fairtrade Town groups at public events such as the National Eisteddfod and Usk Show.
 - Supporting schools who are working towards being Fairtrade Schools.
 - Using Fairtrade sports balls through all of the Sports Development team's work.
 - Taking the opportunity of new car park signs to get Fairtrade town logos included in the design.

4. OPTIONS APPRAISAL

- 4.1 Not applicable. Report for information only.

5. EVALUATION CRITERIA

- 5.1 Not applicable. Report for information only.

6. REASONS:

- 6.1 There are a good number of new members, so it is helpful to go over the background to our Fairtrade county status, remind members of what it commits us to, and to highlight the work that is going on both in the council and in the community to promote Fairtrade.

7. RESOURCE IMPLICATIONS:

- 7.1 There is no cost to renewing our Fairtrade County status, other than existing officer time.

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

- 8.1 Not required since report is for information only. However, our continuing work on Fairtrade is a key contribution to meeting the Globally Responsible Wales goal.

9. CONSULTEES:

Fairtrade Town volunteers from Usk, Abergavenny, Chepstow and Monmouthshire
Fairtrade Wales

Cabinet Member for Social Justice and Community Development
Head of Policy and Governance

10. BACKGROUND PAPERS:

None

11. AUTHOR: Hazel Clatworthy, Sustainability Policy Officer

12. CONTACT DETAILS:

Tel: 01633 644843

E-mail: hazelclatworthy@monmouthshire.gov.uk

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SUBJECT: Capital funding approval for A40 Wyebridge Transportation Improvement Scheme

MEETING: Council

DATE: 20th September 2018

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

To seek members approval for capital funding of £300k as a contribution towards the proposed traffic and pedestrian improvements on the Wyebride/ A40 which is a joint scheme with welsh government. The majority of the of the costs of this scheme will be met by Welsh Government via their pinch point funding programme however a condition of the grant is that MCC make a £300k contribution and also take on the risk of any overspend for the scheme. In addition members are asked to approve and allow for the continuity and employment of WSP consultant engineers to assist with the procurement and supervision of this project.

2. RECOMMENDATIONS:

- I. That Members approve a capital expenditure budget of £4.17m for the A40 Wyebridge Scheme.
- II. That members approve funding of the above project by the following council resources :-
 - £50,000 S106 funding from the former Wyesham Infants School Development.
 - £50,000 from MCC ATA allocated funding.
 - £200,000 loan to be repaid from the Highways Revenue budget over 20 years.

This together with the £3.87million funding provided by WG will fund the £4.17m total cost of the project.

- III. That Members agree to meet the conditions for funding, that MCC takes on the risk associated with any overspend of the works.
- IV. That MCC continue to employ WSP consultant engineers to complete the design, oversee the procurement process and construction of the works in accordance with the ICE conditions of contract and MCC financial regulations.
- V. That the Cabinet Member, in discussion with the Head of Operations, negotiate favourable terms of the final agreement with the Welsh Government.

3. KEY ISSUES:

The A40 Wyebridge Transportation Improvement Scheme will create an improved junction with capacity for flows at all times, overcoming the extensive congestion and delays currently occurring on the A40 trunk road and A466 Wye Valley Road at peak times.

The A40/A449 route is a key a trunk road corridor between south Wales and the Midlands, probably the third most significant corridor between Wales and England, and important to the Monmouthshire and Welsh economy including the promotion of successful major events and functions throughout the region. In addition the scheme also compliments the current strategy of improving the A465 Heads of the Valleys route to provide better access to Swansea and west Wales as an alternative to the M4 as well as improved resilience on the A40 in the event of accidents or breakdowns.

The scheme will also create improved facilities for pedestrians using Wyebridge and the adjacent subway between Wyesham and the town centre, in accordance with the Equalities Act and Active Travel Legislation. (The council is investigating the possibility of complimentary pedestrian facility improvements on the town side of the A40 as part of separate developments).

The cost of the works is estimated at £4.17M and well beyond that which the council could meet from its normal budget. However the Welsh Government have identified funding for this scheme as part of its 'pinch point' programme subject to MCC also making a financial contribution. The condition for this joint project would require a contributions from the council of £150,000 in the forthcoming financial year (2018/19) and the same amount in 2019-20, a total of £300,000.

4. OPTIONS APPRAISAL

Various options have previously been given to improving traffic flows on the A40 and access to the A466. Unfortunately the option of providing an additional river crossing and other potential solutions has proved costly and would be difficult to achieve.

The option of widening the approach to the Wyebridge on the south approach of the A40 to the traffic lights.A40/has been identified as the preferred arrangement. This scheme offers an increased traffic capacity and in particular during peak times, along with improvements for pedestrian links with the town.

The scheme does not require planning permission however key stakeholders have been consulted and a public exhibition was held during 2017. The outcome of this consultation demonstrated strong supports for the benefits that the scheme has to offer in both terms of improved capacity of traffic on the A40 and access to A466. In addition the scheme offers enhanced pedestrian facilities to and from the town via new pedestrian access arrangement at the subway.

5. EVALUATION CRITERIA

The Feasibility Report supports the widening of the A40 southbound approach which offers a cost effective project for improving traffic capacity and pedestrian access at this location. Other options including the widening of the Wyebridge were considered however they provided improvement with traffic flow and were not favoured by CADW.

The data and analysis of this report along with other information collected as part of the scheme development are at the request of Welsh Government to be presented in a WeITAG format in order to satisfy their internal audit process.

6. REASONS:

The reasons for the recommendations under point 2 are outlined in this report. The proposed action of implementing the scheme will improve the quality of life for residents of Monmouthshire and help both the local and regional economy, and as supported within the Feasibility Study and WeITAG report.

RESOURCE IMPLICATIONS:

The funding from MCC would be met from the capital programme and total £300k. This would be made up from a combination of £200k capital borrowing with a revenue charge over the 40yr design life of the scheme and £100k from other capital sources including s106 and ATA grant. The resources required to procure and undertake the project including supervision etc are to be met from within the overall allocated budget for the scheme.

Welsh Government have also included a condition that MCC take on the liability of any costs above the estimated and members should be aware that it is a common occurrence for construction project to over run in both time and budget, however the members may be reassured that the current estimated cost is based upon a detailed design and includes an additional 30% budget in accordance with the HM Treasury Optimism Bias guidance.

7. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

The main equality impacts identified in the assessment (Appendix 1) are summarised below for members' consideration:

- Improves access for non-motorised users and supports health & well-being as well as tourism.
- A reduction in traffic congestion and better connecting the local community, as well as improving transport links to Monmouthshire and the region.

The actual impacts from this report's recommendations will be reviewed initially after 1 year of the opening of the scheme and in a format to meet the monitoring requirements of the Welsh Government.

CONSULTEES:

SLT and Central Monmouthshire Area Committee

8. BACKGROUND PAPERS:

Evaluation Criteria & Future Generations Evaluation
Presentation to Central Monmouthshire AC 28th July 2018 (attached link)

9. AUTHOR:

Paul Keeble Group Engineer Highways

10. CONTACT DETAILS:

Tel: 01633 644733; E-mail: paulkeeble@monmouthshire.gov.uk

Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

Title of Report:	Wyebridge A40 Transport Improvement Scheme
Date decision was made:	
Report Author:	Paul Keeble

What will happen as a result of this decision being approved by Cabinet or Council?

What is the desired outcome of the decision? Approval of capital funding as a contribution towards the scheme and allow the Wyebridge A40 Transport Scheme to proceed to construction as detailed within the report.

What effect will the decision have on the public/officers? To improve traffic capacity and pedestrian access at the Wyebridge A40 Junction.

12 month appraisal

Was the desired outcome achieved? What has changed as a result of the decision? Have things improved overall as a result of the decision being taken?

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?

The Feasibility and WelTAG report provide information that will allow the post monitoring to demonstrate that the scheme is successful and that the correct decision was taken.

In addition Welsh Government may require monitoring data as part of their post monitoring and auditing processes.

12 month appraisal

Paint a picture of what has happened since the decision was implemented. Give an overview of how you fared against the criteria. What worked well, what didn't work well. The reasons why you might not have achieved the desired level of outcome. Detail the positive outcomes as a direct result of the decision. If something didn't work, why didn't it work and how has that effected implementation.

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?

The estimated cost of the contract, including supervision cost, is estimated at £4.17M. MCC is being asked to contribute a total of £300,000.

12 month appraisal

Give an overview of whether the decision was implemented within the budget set out in the report or whether the desired amount of savings was realised. If not, give a brief overview of the reasons why and what the actual costs/savings were.

Any other comments:

The Weybridge A40/A466 Junction scheme not only offer an improved strategic transport link to the region via the A40, but also provides enhanced access for Monmouthshire residents east of the Wye River as well as benefiting the local economy and tourism of Monmouth Town.



Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer completing the evaluation Paul Keeble (Group Engineer)</p> <p>Phone no: 01633 644733 E-mail: paulkeeble@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal The proposal aims to improve junction capacity and pedestrian facilities at A40/A466 Wyebridge Junction Monmouth</p>
<p>Name of Service Highways, Operations</p>	<p>Date Future Generations Evaluation form completed 30th August 2018</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

Page 11




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	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 proposal will reduce delays and congestion on a key strategic route between south Wales and the Midlands, assisting economic development in these areas.</p>	
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</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?
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>The proposal will improve pedestrian links between communities on either side of the River Wye, encouraging more pedestrian movement between Wyesham/Mayhill and the town centre.</p> <p>The proposal will result in a slight reduction in atmospheric pollution due to improved traffic flow, creating a healthier environment for people living nearby and travelling, including walking, through the junction.</p>	
<p>Page 12</p> <p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>The proposal will create safer pedestrian links between communities on either side of the River Wye, encouraging more pedestrian movement between Wyesham/Mayhill and the town centre</p>	<p>Disruption will occur during construction works. The contractor will be invited to submit method statements in support of their tenders and this will include how they plan to carry out the works etc. This will form part of the tender assessment with the aim of achieving innovative approach to limit impact upon traffic and pedestrians.</p>
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>		
<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>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>Improved pedestrian facilities will make it easier for disabled persons to travel.</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?
	between communities on either side of the River Wye.	

2. 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>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>There are no current proposals to undertake future highway works relating to this junction after implementation of this scheme.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The scheme is being developed in conjunction with the Welsh Government which is responsible for the A40 trunk road (MCC being responsible for A466 Wyebridge).</p> <p>To date consultation has been undertaken with NRW, Cadw, Gwent and Glamorgan Archaeological Trust and statutory undertakers.</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The scheme mainly affects those travelling through the junction and people living or working in the locality. A public exhibition was held in 2017 in order to explain the proposal and give people the opportunity to express their views.</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>Prevention Putting resources into preventing problems occurring or getting worse</p>	<p>One of the scheme objectives is to minimize traffic congestion and delay rather than allow it to get worse.</p>	
 <p>Integration Considering impact on all wellbeing goals together and on other bodies</p>	<p>Yes. Part of the rationale of the scheme is to improve facilities to encourage sustainable travel within Monmouth.</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	The scheme will create safer facilities for pedestrians, including the large number of school pupils and older residents who use the bridge, to cross the river.		

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?
Disability	The scheme will improve pedestrian facilities, making it easier for disabled persons to travel between communities on either side of the River Wye.		
Gender reassignment			
Marriage or civil partnership			
Pregnancy or maternity			
Race			
Religion or Belief			
Sex			
Sexual Orientation			
Welsh Language	New traffic signs installed as part of the scheme will be bilingual Welsh and English		

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			
Corporate Parenting			

5. What evidence and data has informed the development of your proposal?

In addition to the detailed feasibility report, a WeITAG scheme appraisal report is currently being prepared. This will include all the supporting information for the justification of the scheme including evidence and data collected as part of the scheme development. Information collected in order to inform the recommendations of the report include the undertaking of automatic and manual traffic surveys, queue length surveys and traffic accident data.

Page 16

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 main positive impacts are the minimising of traffic delays and congestion currently occurring at the junction, improved pedestrian facilities and reduction in atmospheric pollution. The main negative impact is the disruption during construction works.

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
Complete WeITAG	September 2018	MCC/WG	
Invite and evaluate tenders	December 2018	MCC/WG	

--	--	--	--

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:	Autumn 2019
--	-------------

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.

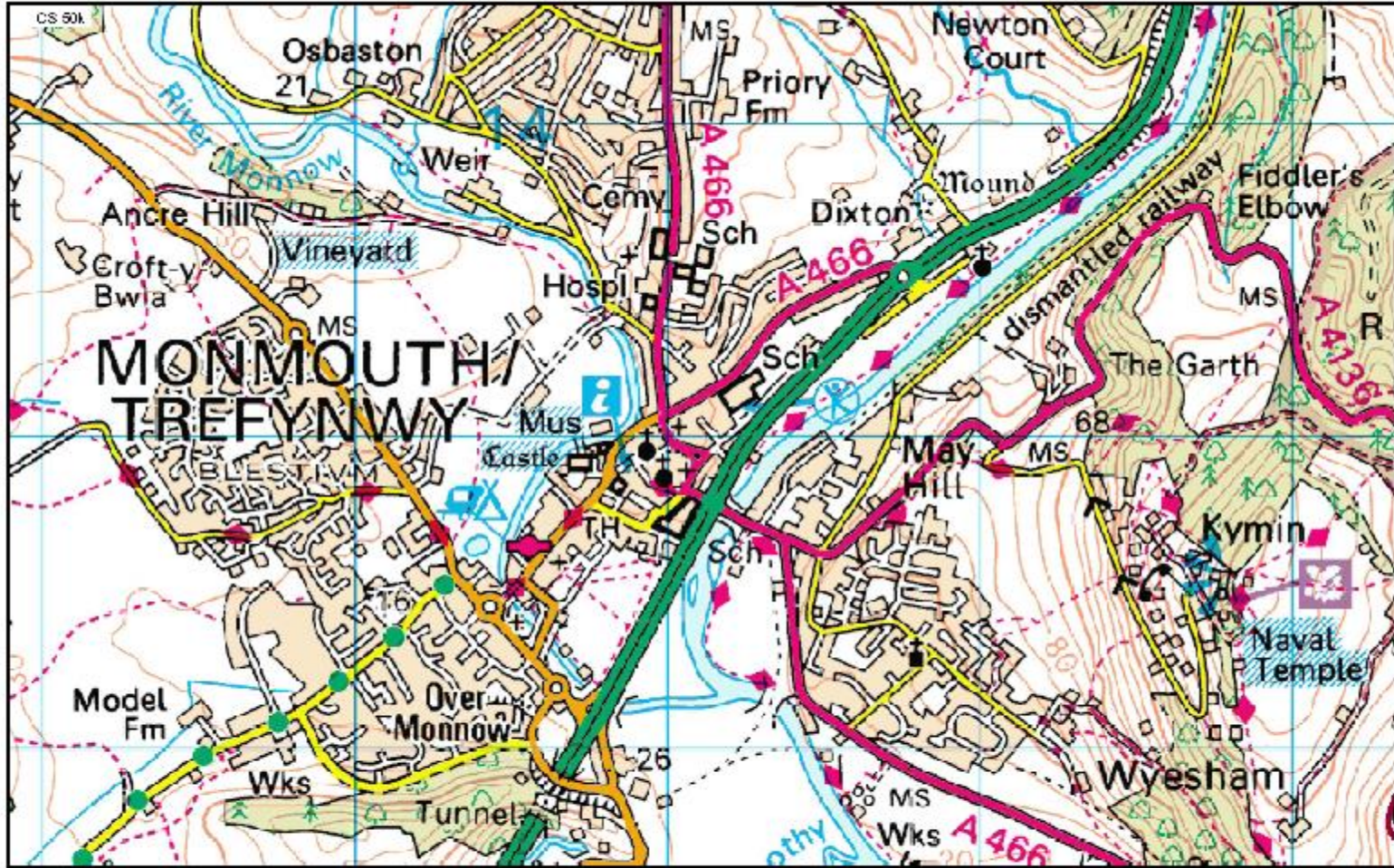
Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	Confirm appointment of consultants	May 2017	completed
Page 18	Seek approval for capital allocation, continuation of WSP as consultants and MCC acceptance of risk.	September 2018	
	Invite Tenders	October 2018	
4	Appoint main contractor	December 2018	



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WYEBRIDGE JUNCTION, MONMOUTH

Junction Capacity and Pedestrian Improvements

**Presentation to Central Monmouthshire Area Committee
18th July 2018**



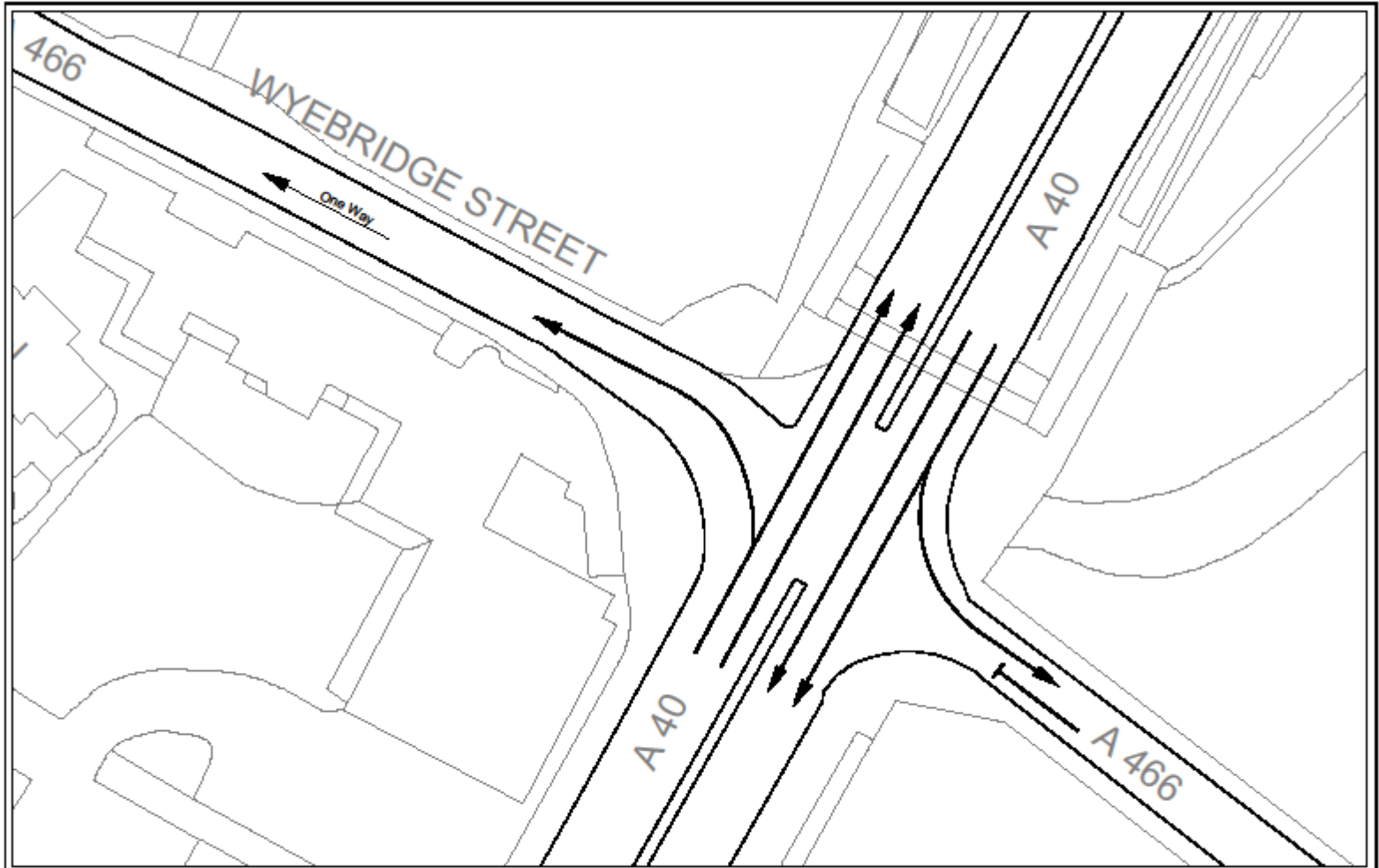
 <p>Monmouthshire County Council Innovation House, Wales 1 Newport Road, Magor NP26 3DG UPRN: 10033359137 www.monmouthshire.gov.uk/maps</p>	<p>© Crown copyright. All rights reserved (100023415) (2013) © Hawflairt y Goron. Cedwir pob hawl (100023415) (2013).</p>		<p>Details:</p>		
	<p>Scale: 1:16416</p>	<p>Paper size: A4</p>	<p>Date: 12-8-2013</p>	<p>Centre x,y : 351113, 212859</p>	



Wyebridge Junction Improvement

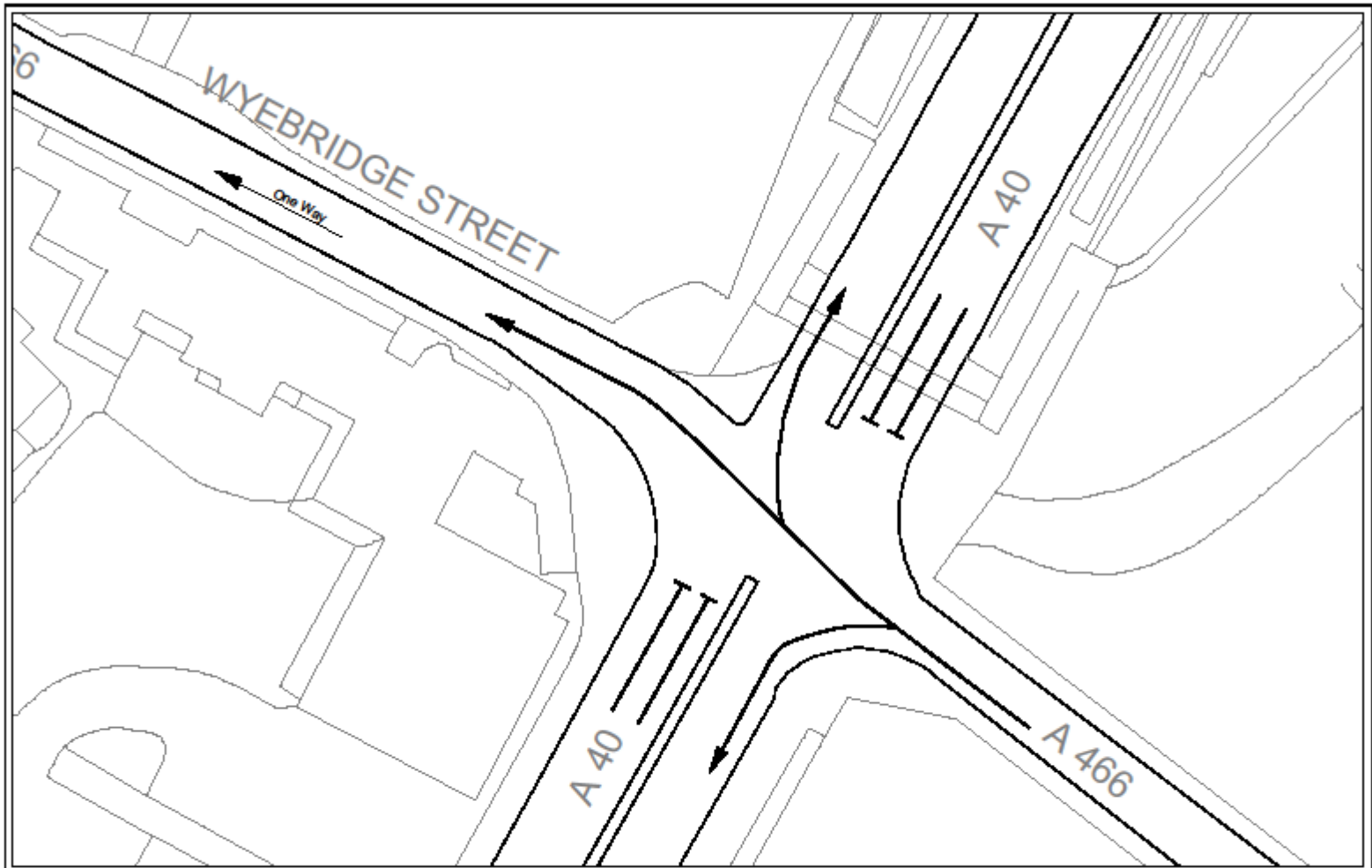
- ▣ History
- ▣ Current A40 built in 1960's as a town bypass
- ▣ It separates Wyesham from rest of Monmouth
- ▣ Signal controlled junction established
- ▣ Subsequently Wyebridge Street made one way away from A40

Wyebriidge Junction Improvement

- ▣ Traffic Signals Operation
- ▣ Two stages:-
 - ▣ 1. Both A40 approaches – two lanes
 - ▣ Right turns banned – no conflicting movements
 - ▣ 2. A446 Wyebriidge approach
- ▣ No pedestrian stage
- ▣ The only pedestrian facility is a subway



 <p>ROGER HOGGINS HEAD OF INFRASTRUCTURE, NETWORKS AND SUSTAINABILITY</p>	<p>Job Title Wyebribe, Monmouth</p>	<p>Drawn By GK</p>	<p>Checked PW</p>	<p>Drawing No. 1488</p>	 <p>Rev</p>
	<p>Drawing Title Wyebribe Junction Traffic Signals - Phase 1</p>	<p>Scale 1:500</p>	<p>Date 28/08/13</p>	<p><small>THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH THE PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTRACTORS OF THE MONMOUTH COUNTY COUNCIL OFFICE. UNAUTHORISED REPRODUCTION WITHOUT WRITTEN CONSENT IS PROHIBITED AND MAY LEAD TO PROSECUTION OF THE OFFENDERS. MONMOUTH COUNTY COUNCIL, LAMBLEY, Gwent, NP23 5EE</small></p>	



 <p>ROGER HOGGINS HEAD OF INFRASTRUCTURE, NETWORKS AND SUSTAINABILITY</p>	<p>Job Title Wyebridge, Monmouth</p>	<p>Drawn By GK</p>	<p>Checked PW</p>	<p>Drawing No. 1489</p>	 <p>Rev</p>
	<p>Drawing Title Wyebridge Junction Traffic Signals - Phase 2</p>	<p>Scale 1:600</p>	<p>Date 28/08/13</p>	<p><small>THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH THE PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTRACTORS OF THE MONMOUTH COUNTY COUNCIL OFFICE COPYRIGHT. UNAUTHORISED REPRODUCTION WITHOUT CONSENT IS PROHIBITED AND WILL LEAD TO PROSECUTION OR CIVIL PROCEEDINGS. MONMOUTHSHIRE COUNTY COUNCIL, LAMBETH, 2002.</small></p>	





Wyebriidge Junction Improvement

▣ Issues

- ▣ Junction operating over capacity
- ▣ Extensive queuing and delays at times on A40 southbound and A466 Wyebriidge approaches
- ▣ Intimidating subway with blind 90 degree bends causing personal safety concerns
- ▣ At night some pedestrians cross on carriageway
- ▣ Air quality

Wyebriidge Junction Improvement

- ▣ A40 Traffic Flows (July 2011)
- ▣ Southbound – 21751 vehs/day
- ▣ Northbound – 16993 vehs/day
- ▣ Typical inbalance 4500 vehs/day

Queuing through Dixton Roundabout

Page 29



And back towards England



Wyebridge Junction Improvement

- ▣ What capacity improvements are possible?
- ▣ Existing controls efficient, only two phases
- ▣ No improvement possible with existing layout
- ▣ Hence two outline options considered
- ▣ 1) Widening Wyebridge
- ▣ 2) Widening A40 southbound approach

Wyebridge Junction Improvement

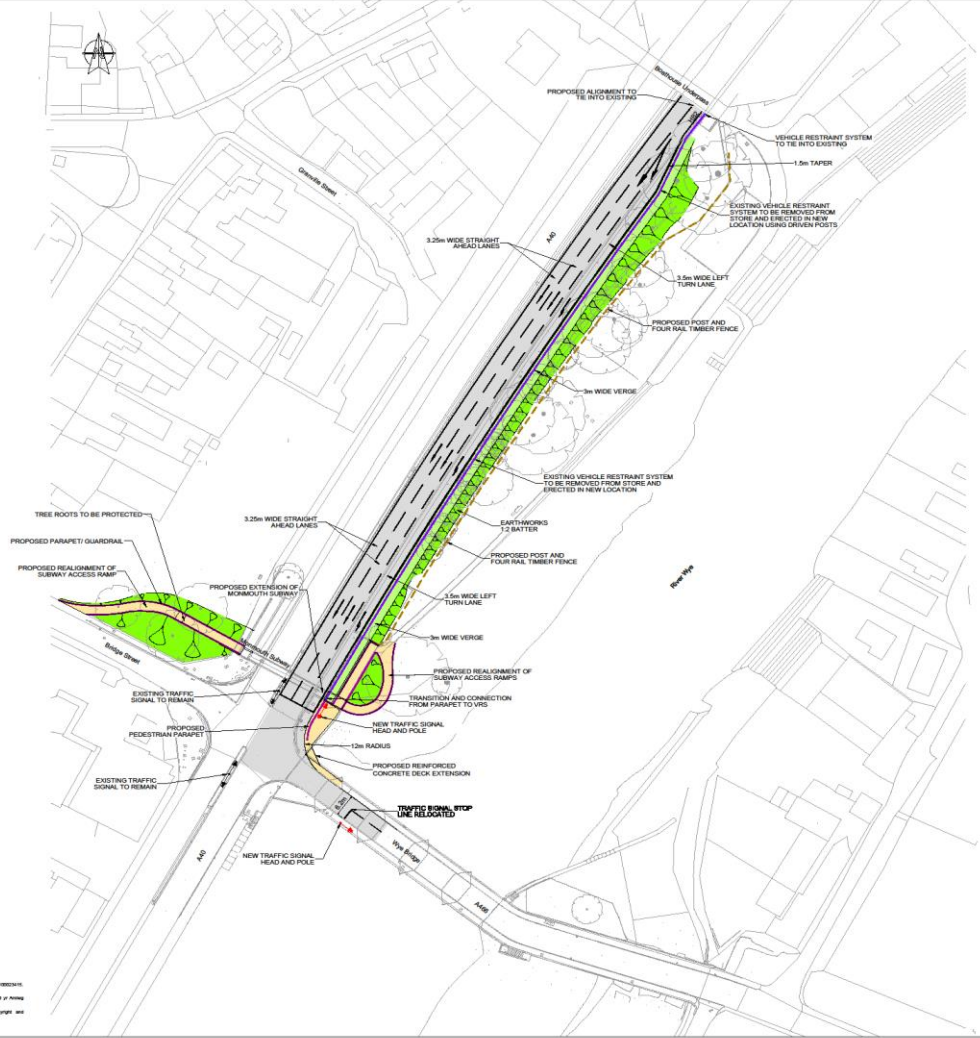
- ▣ 1) Widening Wyebridge
- ▣ Limited traffic benefits
- ▣ CADW not in favour
- ▣ Option not progressed

Wyebriidge Junction Improvement

- ▣ 2) Widening A40 Southbound Approach
- ▣ Between Rowing Club Underpass and Signals
- ▣ Greater capacity improvements
- ▣ CADW agreeable in principle
- ▣ Option developed further

Wyebriidge Junction Improvement

- ▣ What pedestrian improvements are possible?
- ▣ Land constraints in 1960 led to double ramp design on each side of A40
- ▣ Subsequent Wyebriidge Street building demolition and Riverside land
- ▣ Allow sharp bends to be eliminated



- NOTES**
- DO NOT SCALE FROM THIS DRAWING, USE FIGURED DIMENSIONS ONLY.
 - ALL LEVELS ARE IN METRES ABOVE ORDNANCE DATUM (A 010)
 - TO BE READ IN CONJUNCTION WITH 100 & 1700 SERIES DRAWINGS.
 - FOR DETAILS OF SUBWAY, RETAINING WALLS AND FOOTWAY RAMPS, REFER TO 1700 SERIES DRAWINGS.

KEY

- CARRIAGEWAY
- FOOTWAY
- VERGE
- EARTHWORKS
- VEHICLE RESTRAINT SYSTEM
- PEDESTRIAN PARAPET
- POST AND FOUR RAIL TIMBER FENCE
- EXISTING TRAFFIC SIGNAL
- PROPOSED TRAFFIC SIGNAL

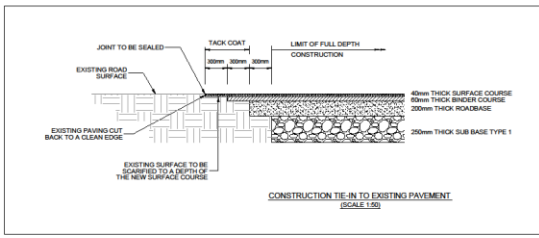
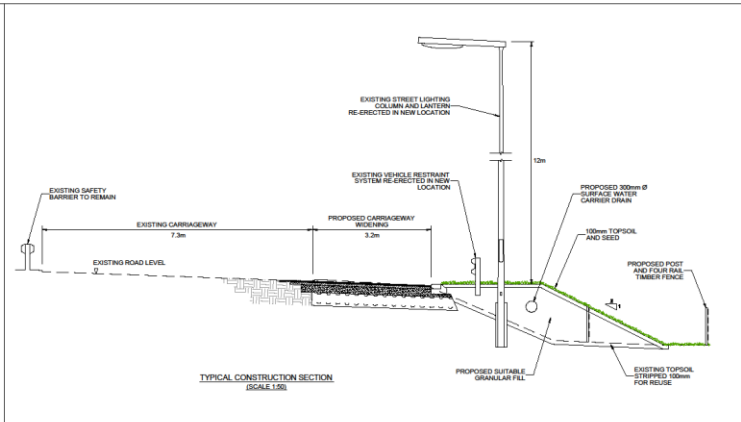
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DRAFT				
PARSONS BRINCKERHOFF				
WYEBRIDGE JUNCTION IMPROVEMENT OPTION 1				
THE GENERAL ARRANGEMENT LAYOUT				
Drawn	BY	Checked	JM	
Designed	JM	Reviewed		
Date	18/04/2013	Scale	1:500	A1
Project Number	35124641-HHC	Sheet Number	101	Revision
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 User: J.M.
 Plot Date: 18/04/2013 14:57
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Wyebridge Junction Improvement

▣ Features

- ▣ Local widening creates 170m third s'bound lane
- ▣ Dedicated for left turning traffic
- ▣ Existing two lanes for straight ahead traffic
- ▣ Bridge arch widening to accommodate footway
- ▣ Straight pedestrian ramp on town approach
- ▣ Curved pedestrian ramp on riverside



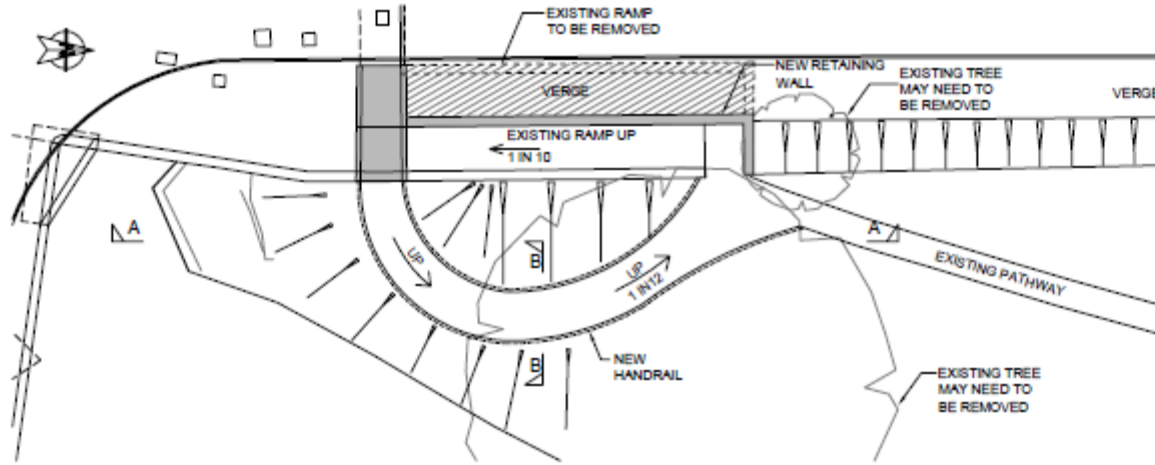
KEY	
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TR2	TRANSITION KERB 125mm x 250mm
HRB	EDGE OF CARRIAGEWAY WITH KERB TYPE REFERENCE
FULL DEPTH PAVEMENT CONSTRUCTION - 520mm THICK, CONSISTING OF:	
	40mm SURFACE COURSE
	80mm BINDER COURSE
	200mm ROAD BASE
	200mm SUB-BASE TYPE 1
	TI-E IN EXISTING PAVEMENT
	HIGH FRICTION SURFACING OVERLAY - 50mm THICK
	FOOTWAY CONSTRUCTION - 100mm THICK, CONSISTING OF:
	20mm SURFACE COURSE
	40mm BINDER COURSE
	100mm SUB-BASE TYPE 1
	SUBWAY ACCESS RAMPS
	VERGE - 100mm TOPSOIL AND SEED
	EARTHWORKS - 100mm TOPSOIL AND SEED
	PROPOSED STRUCTURE

- NOTES**
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 - FOR DETAILS OF SUBWAY, RETAINING WALLS AND FOOTWAY RAMPS, REFER TO 1700 SERIES DRAWINGS.

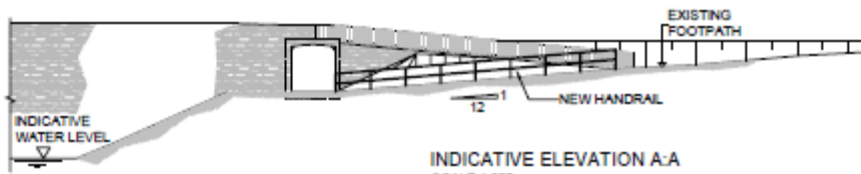
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DRAFT					
PARSONS BRINCKERHOFF					
WYEBRIDGE JUNCTION IMPROVEMENT OPTION 1					
PAVEMENT AND KERBING LAYOUT					
Client	BB	Contract	JM		
Prepared	JM	Approved			
Date	25/04/2013	Scale	1:500	A1	Sheet
35124641-HHC		104			
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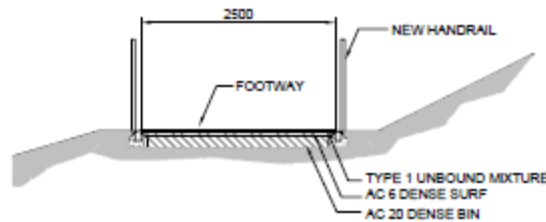
www.parsonsbri.com | 3512464-HHC | 1704 | 1:12 APPROXIMATE 19.5m LONG | SCALE 1:200 | 3512464-HHC | 1704 | 1:12 APPROXIMATE 19.5m LONG | SCALE 1:200



PLAN (1:12 APPROXIMATE 19.5m LONG)
SCALE 1:200



INDICATIVE ELEVATION A:A
SCALE 1:200



SECTION B:B
SCALE 1:50

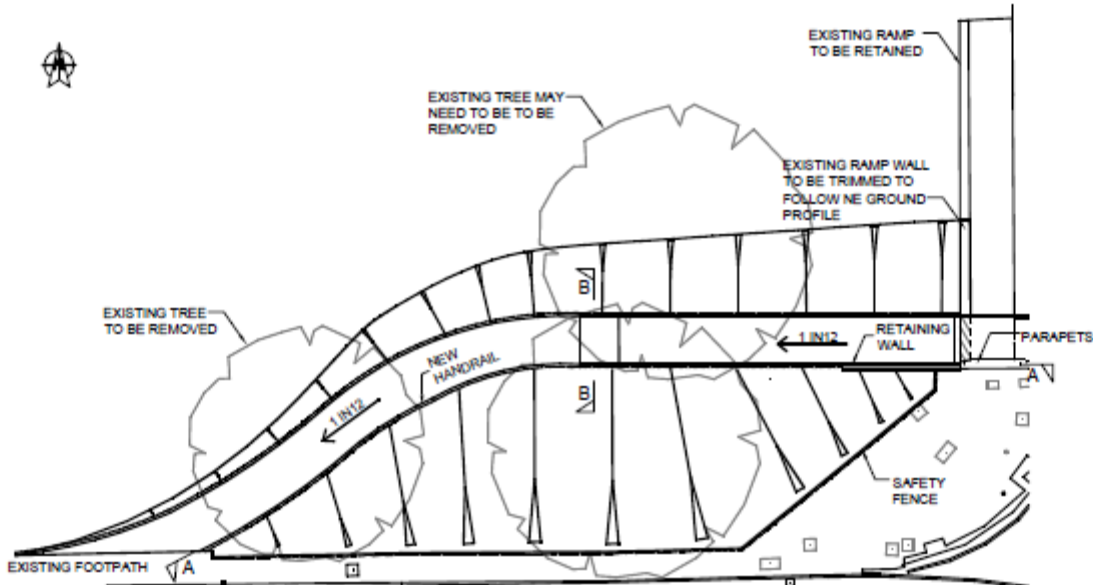
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1. ALL DIMENSIONS ARE IN MILLIMETRES UNLESS NOTED OTHERWISE.
2. ONLY WRITTEN DIMENSIONS SHALL BE USED DO NOT SCALE
3. WALLS OF PROPOSED SUBWAY EXTENSION AND PROPOSED RETAINING WALLS TO BE FLUTED TO MATCH EXISTING SUBWAY APPEARANCE.
4. EXISTING TREES TO BE REMOVED TO ALLOW CONSTRUCTION OF NEW ACCESS RAMP TO SUBWAY.
5. NEW FOOTPATH DRAINAGE TO CONNECTED INTO EXISTING SYSTEM.
6. ELEVATION SHOWN IS INDICATIVE.

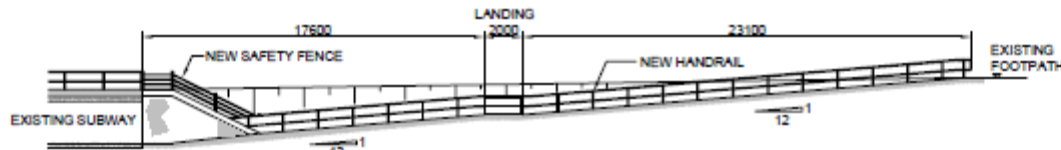
No.	Date	Description	By	Chk.	A.		
 PARSONS BRINCKERHOFF <small>20 Cathedral Street Canterbury CT1 1NH</small>							
 monmouthshire sir fynwy							
WYEBRIDGE JUNCTION IMPROVEMENT OPTION 1							
PROPOSED EAST SUBWAY ACCESS RAMP GENERAL ARRANGEMENT							
Drawn	BJ	Checked	SSB				
Designed	SSB	Reviewed	SSB				
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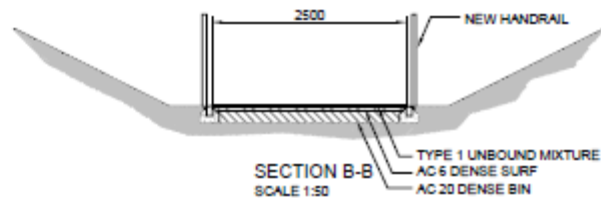
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PLAN (1:12 APPROXIMATE 42m LONG)
 SCALE 1:200



ELEVATION A-A
 SCALE 1:200



SECTION B-B
 SCALE 1:50

DRAFT

1. ALL DIMENSIONS ARE IN MILLIMETRES UNLESS NOTED OTHERWISE.
2. ONLY WRITTEN DIMENSIONS SHALL BE USED DO NOT SCALE
3. WALLS OF PROPOSED SUBWAY EXTENSION AND PROPOSED RETAINING WALLS TO BE FLUTED TO MATCH EXISTING SUBWAY APPEARANCE.
4. EXISTING TREES TO BE REMOVED TO ALLOW CONSTRUCTION OF NEW ACCESS RAMP TO SUBWAY.
5. NEW FOOTPATH DRAINAGE TO CONNECTED INTO EXISTING SYSTEM.
6. LOCAL DIVERSIONS OF GAS AND BT WILL BE REQUIRED TO CONSTRUCT NEW ACCESS RAMP.

No.	Date	Description	No.	Rev.	A
 20 Corporate Forest Cary, NC 27513-5151 Tel: 44-020-2003-7000 Fax: 44-020-2003-7000					
 WYEBRIDGE JUNCTION IMPROVEMENT OPTION 1					
PROPOSED WEST SUBWAY ACCESS RAMP GENERAL ARRANGEMENT					
Drawn	BJ	Checked	DD		
Designed	JD	Reviewed	DD		
Date	20/06/2013	Scale	A3(1:100)	Drawn	BJ
Project No	3512464-HHC	Draw No	1703		

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Wyebridge Junction Improvement

▣ Traffic Benefits

- ▣ Currently A40 southbound and Wyebridge approaches at 100% peak period capacity, and
- ▣ A40 southbound exceeds 100% at pm peak
- ▣ Scheme improves PRC by 11.5%
- ▣ Southbound saturation flow increased by 48%
- ▣ Peak period queues much reduced

Wyebriidge Junction Improvement

▣ Pedestrian Benefits

▣ Straight approach to subway from town

▣ Open view spiral approach from bridge

▣ New ramps at 1 in 12 (existing 1 in 10)

▣ Links to Granville Street and boathouse retained

Wyebriidge Junction Improvement

- ▣ Air Quality
- ▣ Two NO₂ monitoring sites adjacent A40
- ▣ Recent readings exceed 40ug/cm
- ▣ Likely to soon be Air Quality Management Area
- ▣ Local residents campaigning for particulate level monitoring
- ▣ And for noise level reduction

Wyebriidge Junction Improvement

- ▣ Land acquisition
- ▣ Land take all within MCC or WG control

Wyebriidge Junction Improvement

- ▣ Summary of Benefits
- ▣ Junction operating within capacity at all times
- ▣ More conducive pedestrian environment
- ▣ Air quality improvement

Wyebriidge Junction Improvement

- ▣ Site Constraints
- ▣ Habitats Regulations Assessment
- ▣ Site of Special Scientific Interest
- ▣ Special Conservation Area
- ▣ Bridge is a Listed Structure (CADW)
- ▣ Site of Archaeological Interest
- ▣ A40 Embankment is Flood Defence
- ▣ Flood Consent

Wyebriidge Junction Improvement

- ▣ Buildability
- ▣ Three distinct phases
 - ▣ Widening western arch
 - ▣ Extending subway and realigning approaches
 - ▣ Widening A40
- ▣ Widening arch is the most problematic
- ▣ Involves working from riverbed
- ▣ Closing footway

Wyebridge Junction Improvement

- ▣ Buildability
- ▣ Pedestrians to be accommodated
- ▣ Vehicles to be accommodated
- ▣ Services
 - ▣ BT
 - ▣ Welsh Water
 - ▣ WPD
 - ▣ British Gas

Wyebriidge Junction Improvement

- ▣ Studies and Reports
- ▣ Preliminary Safety Audit
- ▣ Preliminary Environmental Assessment
- ▣ Air Quality Assessment
- ▣ Flood Considerations
- ▣ Ground/Site Investigation
- ▣ Design Considerations
- ▣ Construction Methodology Report

Wyebriidge Junction Improvement

- ▣ Town Side Pedestrian Ramp
- ▣ BT diversion cost £450k
- ▣ Car Park Proposal
- ▣ Works Deferred

Wyebriidge Junction Improvement

▣ Costs

- ▣ Current estimate £3 - £3.5m

▣ Next steps

- ▣ Bid for further Local Transport Fund monies
- ▣ Public Exhibition
- ▣ Detailed design and contract preparation
- ▣ Could be constructed late spring – autumn 2018

Wyebridge Junction Improvement

- ▣ Other options previously considered
- ▣ **Dixton Roundabout to Hadnock Road**
 - ▣ - no logical tie in on east bank
- ▣ **A40 Monnow Bridge – A466 Redbrook Road**
 - ▣ - awkward roundabout tie in at Monnow Bridge, not acceptable to WG
 - ▣ - land acquisition and property demolition
 - ▣ - cost

What next?

- ▣ **Public Exhibition/ Consultation 2017 – positive support for scheme**
- ▣ **Funding**
 - Bid to WG TFG unsuccessful based upon value of scheme
 - WG offer of Pinch Point Funding subject to conditions:
 - MCC to complete WelTAG
 - MCC to make £300k contribution and accept risk
- ▣ **Programme**
 - August 2018 – finalise design incl. WelTAG and invite tenders
 - November 2018 – award contract
 - February 2019 – commence works (9 – 12 month duration)
- ▣ **Next key action:**
 - Seek member support for capital contribution / acceptance of risk

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AGENDA ITEM TBC

SUBJECT:	STATEMENT OF ACCOUNTS 2017/18
MEETING:	Council
DATE:	20th September 2018
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 2017/18 (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. These accounts were prepared circa 3 weeks ahead of the 30th June deadline.
- 3.2 In an attempt to also undertake the audit of accounts quicker, the Wales Audit Office (WAO) has sought to provide the ISA260 feedback document (Appendix 2) by the start of September. Given the deadlines for Committee circulation, this has been provided to Members verbatim, so this report provides details of the management pragmatic response or useful clarification, for member consideration of the Accounts.
- 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 2017/18
 - Supported by International Financial Reporting Standards (IFRS).
 - Service Reporting Code of Practice 2017/18
- 3.4 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

3.5 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 and impairment of fixed assets which are reconciled in more detail in note 11.1 of the statement of accounts.

4. REASONS

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

4.2 It is pleasing to note the auditors intend to provide an unqualified opinion on the Accounts, and management would wish to acknowledge the strength of relationship between Council and WAO, and the professional and helpful way that audit colleagues have conducted their activities.

4.3 Of significant note, the ISA 260 raises the following issues, the council's response to such is included alongside to reassure Members of the ongoing quality of the accounts.

- **Accrued income and deferred income overstated by £1,372,006** – This has been reviewed by the finance team and although it is considered an isolated error due to the complexity of this one specific grant claim process, steps will be put in place to ensure such an occurrence is avoided moving forward.
- **Termination Benefits understated by £15,000** – This has occurred due to an accrual not being made for a contract termination which was agreed close to the financial year end. As such there was a financial obligation for the Authority as at the 31st March 2018 that should have been recognised in the accounts. The directorate finance team responsible will be made aware of their responsibilities in ensuring that all such obligations are accounted for to ensure this error is not repeated.
- **Property, Plant and Equipment overstated by £1,020,000** – The Authority intends to make enhancements to the Revaluation request document to ensure that Estates consider any further potential impairment when major capital projects are being carried out.
- **Grant income and expenditure understated by £343,825** – Although this is a one-off error the finance teams across the Authority will be reminded of the correct financial process when dealing with the receipt of grant income and its subsequent re-allocation.
- **The Council is failing to 'de-recognise' existing infrastructure assets when these assets are replaced or where improvements are made** – The inference is that members may conclude management being deficient against the code of practice. The code of practice requires a depreciated historic cost model to be used for infrastructure assets. The authority is required to ensure assets are carried at their cost less any accumulated depreciation & impairment losses and the Authority is satisfied that we are complying with that requirement. There is currently no requirement to further split down the historic infrastructure base into individual assets or de-recognise individual pieces of roads, bridges, culverts or street lighting for example. Moving forward, we will continue to introduce improvements in better identifying new infrastructure assets when capital expenditure is incurred.

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

Appendix 1: Statement of Accounts 2017/18

8. AUTHORS:

Jonathan Davies	Finance Manager
Mark Howcroft	Assistant Head of Finance

9. CONTACT DETAILS

email: jonathansdavies@monmouthshire.gov.uk

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MONMOUTHSHIRE COUNTY COUNCIL

ANNUAL ACCOUNTS

2017/18



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1 NARRATIVE REPORT

1.1 Introduction

Monmouthshire County Council's Statement of Accounts provides a record of the Council's financial position for the year. This section of the document supplements the financial information contained in the accounts, with the aim of providing an overview of the more significant financial and accounting issues which affected the Council during the year.

Key facts about Monmouthshire



Monmouthshire is the most South Eastern County in Wales covering the area from the towns of Abergavenny & Monmouth in the North to Chepstow & Caldicot in the South. It is a predominantly rural County covering an area of 328sq miles and serving a resident population of around 91,000.

The majority of the Council's administrative and political functions are located in the town of Usk.

Political and management structure

The Council uses a Leader and Cabinet (Executive) governance model, with the Cabinet comprised of elected members, who each have lead responsibility for an area of the Council's business, including the Leader. Council determines the Authority's policy framework and budget and other constitutional functions. Below Cabinet and Council level there are a number of committees and panels that fulfil various scrutiny, statutory oversight and regulatory functions.

There are 43 locally elected councillors representing 42 wards who sit on the various committees of the Council, the current political make-up (at 31st March 2018) of the Council is 25 Conservative, 10 Labour, 5 Independent and 3 Liberal Democrat Councillors.

The Cabinet and elected members are supported by the Council's Senior Leadership Team which is led by the Chief Executive. For management purposes the Council's operations are organised into Service Areas each of which is headed by a chief officer reporting to the Chief Executive. The Service Areas as at 31st March 2018 (with a brief overview of their functions) are:

Social Care & Health

Adult services, Community care, Children's services, Partnerships, Resources & performance management, Commissioning and Public protection.

Children & Young People

Schools and Early Years provision, Standards and Resources.

Chief Executive's Unit

Operations including waste, recycling, street cleansing, highways maintenance & street lighting and Legal & land charges.

Resources

Finance, Information communication & technology, People, Commercial, corporate & landlord services.

Enterprise

Business growth & enterprise, Tourism life & culture, Planning & housing and Governance, democracy & support.

Corporate

Corporate management, non-distributed costs, precepts & levies and Insurance

1.2 The Council's corporate aims and objectives

The Council's strategic direction is shaped by its over-arching corporate vision and its aims and priorities. All Council policies and decision-making are made with these goals in mind.

Monmouthshire County Council's Corporate Business Plan sets out the things we will be working on in the medium term. It provides direction and a sense of what will be important for the next four years, taking us up to the end of the political term in 2022.

The core vision is to help build sustainable and resilient communities that support the well-being of current and future generations. The five organisational goals underpinning this vision and current progress towards these is shown below:

Helping build sustainable & resilient communities in Monmouthshire

Our five organisational goals - progress so far



BEST POSSIBLE START IN LIFE



67% OF PUPILS achieving 5 GCSEs grade A* to C - the highest in Wales

Provided stability in education for the majority of looked after children, only 8% experienced a change of school.



New secondary school builds in Caldicot and Monmouth

THRIVING & CONNECTED COUNTY



£1.2 BILLION Cardiff Capital Region City Deal signed



Continuing to support the rollout of high speed broadband



93.7% OF MAIN ROADS surveyed in good or acceptable condition



127 affordable housing completions since the Local Development Plan was adopted in 2014



90%

of planning applications determined in time - which is good performance in Wales

NATURAL & BUILT ENVIRONMENT



99% OF STREETS at a high or acceptable standard of cleanliness

69% OF WASTE is recycled - an increase from 56% four years ago and one of the highest rates in Wales

SOLAR FARM

developed in Crick will save over **2,000** tonnes of CO₂ per year by generating clean, renewable energy



LIFELONG WELL-BEING

73%

OF ADULTS can live independently following reablement which is above the Wales average



34% of people participate in sporting activities three or more times a week



49% of pupils hooked on sports for life

FORWARD-LOOKING, FUTURE-FOCUSSED COUNCIL



Total budget of
£146 MILLION



**MANAGED BUDGET
REDUCTIONS
of £18.1 million
in the last 4 years**



Established the Future Monmouthshire programme to ensure the council remains relevant and viable for the next generation

Launched the My Monmouthshire app, making it easier for thousands of people to contact us

1.3 Financial Performance for the Year

Revenue Budget for 2017/18

The net revenue budget for 2017/18 of £152m was financed from council tax, government grants, business rates & fees and supplemented by charges for services. The Council has a good track record of managing within approved budgets and has carefully managed its services during the year to achieve a balanced outturn position.

The 2017/18 revenue outturn produced an underspend position of £653,000 against the approved budget and this was transferred to Earmarked reserves to support future service provision, resulting in a balanced outturn position. Further details on the outturn position are provided in the June Cabinet report.

	Revised Budget	Actual	Variance
	£000	£000	£000
Net Expenditure:			
Net cost of services (internal management reporting)	145,550	146,232	682
Attributable costs – Fixed Asset Disposal	70	70	0
Interest and Investment Income	(21)	(158)	(137)
Interest Payable and Similar Charges	3,686	2,958	(728)
Charges Required Under Regulation	4,107	3,990	(117)
Capital Expenditure financed from revenue	92	92	-
Earmarked Contributions to Reserves	164	1,167	1,003
Earmarked Contributions from Reserves	(1,204)	(1,425)	(221)
Financed by:			
General government grants	(61,380)	(61,380)	-
Non-domestic rates	(30,419)	(30,419)	-
Council tax	(66,780)	(67,051)	(271)
Council Tax Benefit Support (included in NCS)	6,135	5,924	(211)
Contribution to/(from) Council Fund	0	-	0
Council Fund (surplus)/deficit - Non-Schools	0	0	0
Council Fund (surplus)/deficit - Schools	877	94	(783)
Council Fund (surplus)/deficit - Total	877	94	(783)

The net cost of services in the table above of £146.2m is reported on a management accounting basis, i.e. the same basis as the budget reports used for internal reporting during the year. The figure for the net cost of services in the Comprehensive Income and Expenditure (CIES) of £161.8m is different because it is prepared on a financial accounting basis, which is specified by accounting guidelines.

Note 11.1 to the accounts shows how the figures reconcile.

Level of general and specific reserves/balances

The following summarises the Council's general and earmarked reserves, together with specific service reserves and trading account balances. Further information on these can be found in Section 10 of the accounts.

Reserves & balances	2015/16 £000	2016/17 £000	2017/18 £000
Council Fund Balance	7,111	7,111	7,111

School Balances	1,156	269	175
Earmarked Reserves	8,498	6,870	6,390
Service Reserves	244	278	147
Trading Accounts	527	655	837
Total Usable Reserves & balances available for Revenue Purposes	17,535	15,184	14,660

Capital expenditure & financing

In addition to revenue spending the Council also spent £48.1m on its assets which is detailed below along with the corresponding finance streams:

2016/17 £000		2017/18 £000
	Expenditure	
26,494	Schools modernisation programme	35,306
4,470	Infrastructure	4,471
2,467	Asset management schemes	2,839
4,299	Solar Farm - Oak Grove	436
882	Inclusion schemes	1,027
491	ICT schemes	65
720	Regeneration schemes	2,632
1,861	Vehicles	1,356
41,684	Total Expenditure	48,131
	Financing	
(2,949)	Capital receipts	(17,324)
(23,791)	Borrowing and Finance Lease Commitments	(15,444)
(14,051)	Grants and Contributions	(15,099)
(894)	Revenue and Reserve Contributions	(264)
(41,684)	Total Financing	(48,131)

Significant capital receipts

The most significant capital receipts received in 2017/18 were £702k for Govilon School and £645k for Westwood Farm. All other receipts totalled £376k. The Council currently ring fences all capital receipts to support Band A of its 21st Century Schools development programme.

Revaluation and disposals of non-current assets

The Council has a policy of revaluing all Land & Building assets every five years on a rolling programme. During 2017/18 Caldicot School, Oak Grove Solar Farm, Usk County Hall, Abergavenny Market and recreational areas & playing fields were revalued. The programme for subsequent years is as follows:

- 2018/19 – Primary schools, Land parcels, Museums & Theatres
- 2019/20 – Comprehensive schools, Car parks, Community centres, Associations & clubs
- 2020/21 – Leisure centres, Public conveniences, Hubs, Refuse tips, Residential homes & Sheltered housing

In addition to this rolling asset revaluation programme, an annual review is also undertaken of our assets for any significant changes in their use. The whole Investment Property portfolio is revalued by sample to ensure the value is properly reflecting in accounts.

During 2017/18 the value of our assets has increased from £334.9m to £362.5m, arising from recognising the in-year asset enhancing spend of £42 million; the rolling programme of revaluations in 2017/18 decreasing their held value by £2.5 million; depreciation of £11m and the sale of assets valued at £0.9m. Further details of these movements are outlined in note 12.1.

Borrowing arrangements and sources of funds

The Council's overall borrowing, on a principal valuation basis, totalled £129.9m as at 31st March 2018 (£89.9m as at 31st March 2017), comprising of the following:

31st March 2017 £000		31st March 2018 £000
52,223	Public Works Loan Board	52,415
13,818	Market Loans & Bank loans	14,816
4,973	Welsh Government	5,210
18,935	Local Government bodies	47,891
0	Special Purpose Vehicle	4,538
0	Universities	5,000
89,949	Total borrowing	129,870

In May 2018 Council agreed the adoption of the Asset Investment Policy and the approval of up to £50,000,000 of prudential borrowing to fund acquisitions of land and property assets over a three year period. Further information can be found here:

<https://democracy.monmouthshire.gov.uk/documents/s14073/7.%2020180510%20Council%20-%20Asset%20Management%20Strategy%20-%20covering%20report.pdf>

Further information on borrowing arrangements is disclosed in notes 13.3 and 13.4 to the accounts. The Council continues to operate within its limits as set according to the Local Government Act 2003 and the CIPFA Prudential Code.

Collection of Council Tax and Non-Domestic Rates

The Council Tax bill for Monmouthshire County Council in 2017/18 including amounts raised for Police and Community Councils was £1,466.49 (£1,405.95 in 2016/17) for properties in valuation Band D. We collected 98.2% in year of the total due (98.1% 2016/17). Our collection rate for Non-Domestic Rates increased to 97.7% in 2017/18 (97% in 2016/17). During the year £149,000 Council Tax and £368,000 Non-Domestic Rates' debts were written off (£183,000 and £278,000 in 2016/17).

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 £217,645,000 (£217,236,000 in 2016/17). 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.

1.4 The Financial Outlook

Over the last four years, the Council has managed £19 million of savings from its service budgets. Funding from Welsh Government has reduced over the period and austerity looks set to continue for the foreseeable future. At the same time pressures on the budget have been increasing in terms of demographic growth, demand and expectations.

2018/19: In setting its 2018/19 revenue budget the Council was required to make difficult choices regarding service delivery and Council Tax levels. As part of the process the Council approved an annual Council Tax increase of 4.95%, which increased the annual band D charge by £58.57 to £1,241.76. It also approved £5m of savings measures to ensure that the approved budget is delivered.

The Medium Term: The continuing financial projections for the wider public sector continue to be regularly communicated and this Council, like all others, has significant service and financial challenges going forward. In November 2017 Cabinet approved its latest Medium Term Financial Plan (MTFP) (2018 to 2022), and this identified that a further £14m of savings will need to be identified to ensure that balanced positions are achieved.

In respect of the Council's Forward Capital Programme this has been constructed to principally support band A of the 21st Century Schools programme, Disabled Facilities Grants, Asset management and Infrastructure, with some £47.4m (including contributions to the Cardiff Capital Region City Deal initiative) forecast to be spent from 2018/19 to 2021/22.

Cardiff Capital Region City Deal (CCRC)

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 CCRC 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 CCRC Regional Cabinet. The Council will make a 6.1% contribution to the £120 million based on its proportion of the regional population.
- As part of the original January 2017 report certain matters were reserved to the constituent Councils and the most significant was in respect of the business plan. This was approved by all Councils in March 2018. The Cardiff Capital Region City Deal made its first investment during 2017/18 and Monmouthshire's contribution was £1,487,240.

1.5 The Accounting Statements

The Authority's accounts for the year 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 2018. The notes are sectioned to aid the user of the accounts to navigate the extensive supporting notes.

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 2018 and its income and expenditure for the year ended 31st March 2018.

Joy Robson
Head of Finance (S151 Officer)

Date

I confirm that these accounts were approved by the Leader of the Council on 20th September 2018 on behalf of Monmouthshire County Council.

Cllr Peter Fox
Leader of the Council

Date

ANNUAL GOVERNANCE STATEMENT FOR YEAR ENDED 31st MARCH 2018

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.

WAO's review of Good Governance concluded that the Council has a clear strategic approach for significant changes, although, better information would help Members when deciding the future shape of the Council.

It is also recognised that there is further work to do. Progress against the 2016/17 action plan is shown at Appendix 1. The main areas for improvement in 2017/18 identified by the Council are:

- continue to deliver awareness raising sessions on the importance of compliance with Contract Procedure Rules and Financial Procedure Rules;
- Revise and update the Code of Corporate Governance and get it formally approved by Cabinet
- Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources.
- Improve performance management arrangements and improve strategic planning

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 2016/17 action plan is shown at Appendix 1. The main areas for improvement in 2017/18 identified by the Council are shown in the action plan shown at Appendix 2.

Scope of Responsibility

- 3 Monmouthshire County Council (the Council) (MCC) 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 2018 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

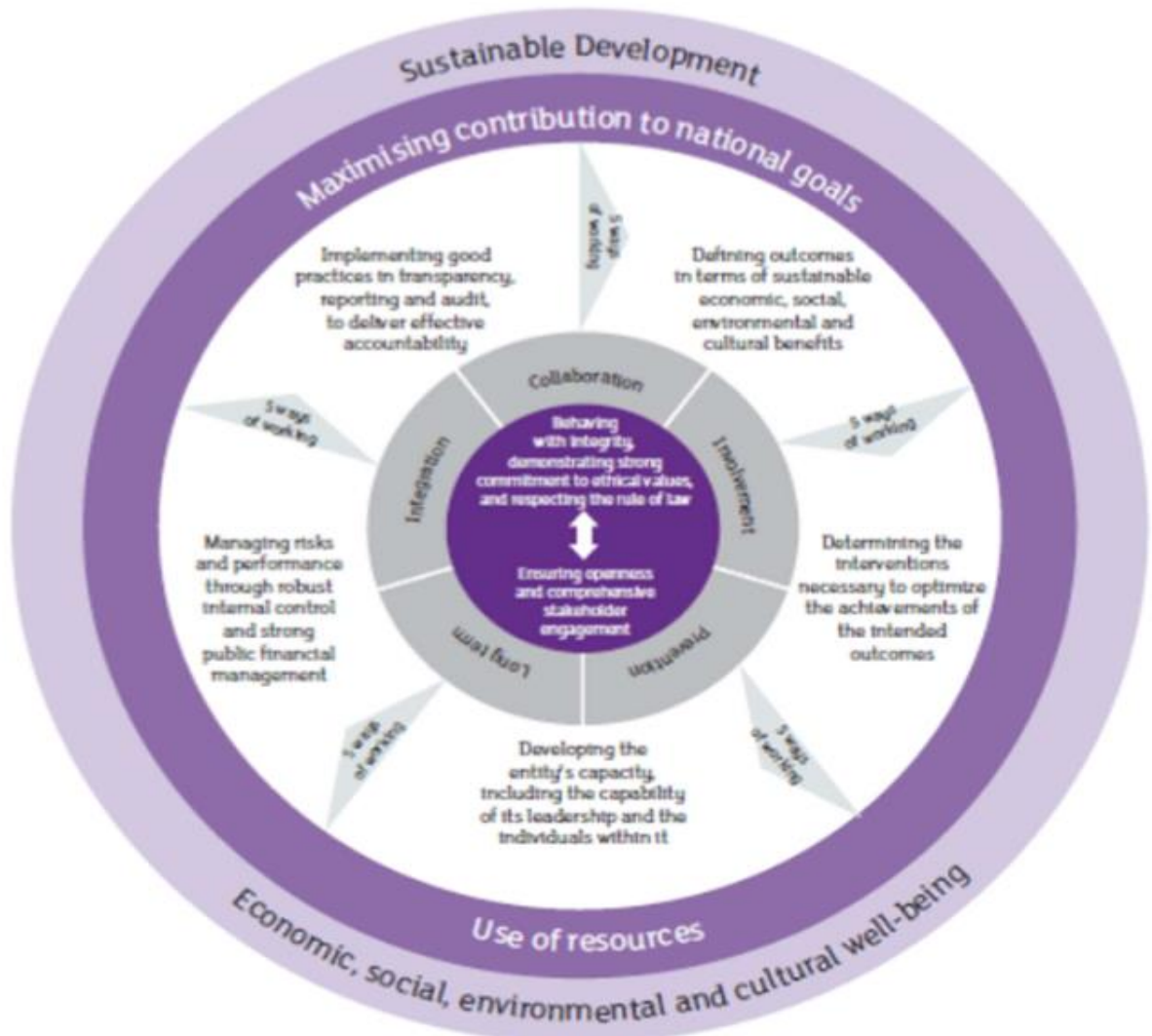
In addition achieving good governance in the Council requires effective arrangements for:

- 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 The Corporate Business Plan "22 for 22": A Monmouthshire that Works for Everyone was approved by Council in January 2018 and set out the Council's new priorities to 2022, aligned with the well-being objectives of the PSB:

Best possible start in life

Thriving and connected communities

Natural and built environments

Lifelong wellbeing

Future focused council

- 15 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

- 16 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.
- 17 The governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.
- 18 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. The constitution was revised and approved by Council in December 2017;
 - 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 2018;
 - 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.

- 19 The following paragraphs review the effectiveness of the governance arrangements in Monmouthshire under the 7 principles.

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

- 20 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.
- 21 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.
- 22 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.
- 23 In accordance with its statutory responsibilities, the Council has in place a Health and Safety Policy and related procedures.
- 24 There were no successful "call-in" challenges to decisions on procedural grounds and no judicial review challenges on grounds of legality during the year.
- 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 December 2017 and provides parameters for effective executive and scrutiny relationships.
- 27 The Constitution is updated periodically by the Monitoring Officer; it was reviewed and updated during 2017/18, and approved by Council in December 2017; 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 SLT, 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 [reviewed and approved by Cabinet June 2017]
 - 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 37 Internal Audit opinions were issued in 2017/18; 8 audit jobs resulted in **Limited** assurance.
- 34 The overall opinion on the adequacy of the internal control environment for 2017/18 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 2017/18 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 2017/18, as reported to Audit Committee:

	2015-16	2016-17	2017-18
Substantial Assurance (Very Good)	0	3	2
Considerable Assurance (Good)	9	10	11
Reasonable Assurance	14	7	16
Limited Assurance (Unsatisfactory)	3	7	8
Total	26	27	37

- 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; 82% of the 2017/18 plan was achieved, which was an improvement on the previous year (75%). 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 The Internal Audit team undertook a self assessment during the year to assess its compliance with the Public Sector Internal Audit Standards (PSIAS). This was further validated through a peer review process undertaken by the Chief Internal Auditor for Neath Port Talbot Council; the outcome of which was that the team are generally compliant, the highest level of compliance.
- 38 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.
- 39 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

- 40 The agendas are published in advance of all meetings on the Council's website.
- 41 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.
- 42 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.
- 43 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.

- 44 There were several public engagement events undertaken in 2016/17 and 2017/18 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.
- 45 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.
- 46 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.
- 47 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.
- 48 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.
- 49 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](#)

- 50 The Council has received a number of Freedom of Information Act requests during the year, with no complaints made to the Information Commission Officer. 82% of requests were responded to within the required 20 days:

	2015-16	2016-17	2017/18
No' of FOI requests closed	1057	1055	1005
No' responded to within 20 days	1034	1022	949
Percentage of FOIs responded to within 20 days	98%	97%	82%

- 51 The Medium Term Financial Plan (MTFP) supports the vision for Monmouthshire and extensive public engagement continued in 2017/18 for the 2018/19 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.
- 52 The Improvement Plan, Building Sustainable and Resilient Communities, 2016/17 involved a public consultation which took place between 1st April – 22nd April 2016.
- 53 During 2017/18 the Public Service Board (PSB) agendas and minutes were published online on the MCC website to ensure transparency.
- 54 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. The progress of implementing the WFG Act was reported through the Audit Committee in July 2017.
- 55 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

- 56 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.
- 57 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. 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.

- 58 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 2 Improvement Plan was presented to Council in September 2017 which reviewed Council performance in the previous financial (2016/17) and included an evaluation of how well it delivered against the objectives set by Council.
- 59 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
- 60 In March 2018 Council approved the Council's Well-being Plan and endorsed the Area plan... 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
- 61 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 2017/18 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.
- 62 In July 2017 Wales Audit Office provided an update to Audit Committee on its Proposals for Improvement. The proposals came out of previous reports and were categorised across governance, performance management, HR, Finance and partnership / collaboration working. There were 18 open proposals and 6 closed proposals; the Council is working through the open proposals.
- 63 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.
- 64 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 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.
- 65 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 2017/18 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.

- 66 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.
- 67 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.
- 68 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 2018 by Council for 2018/19. 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.
- 69 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.
- 70 Based on 2016/17 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 2017/18 will be available in September 2018.
- 71 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/>)
- 72 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.
- 73 The Wales Audit Office (WAO) presented its Annual Improvement Report 2016/17 to Audit Committee in September 2017; the overall conclusion was that the Council is likely to meet its statutory requirements in relation to continuous improvement providing it responds constructively and in a timely way to WAO's statutory recommendations.
- 74 The WAO reported on their follow on review of Good Governance when determining significant service changes, through Audit Committee in July 2017. They concluded that the Council has a

clear strategic approach for significant changes, although, better information would help Members when deciding the future shape of the Council.

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 87 complaints received in 2017/18, 74 were resolved informally although 1 complaint was referred to the Ombudsman, who decided not to investigate. 13 formal complaints were received, 2 of which were escalated. 123 comments were received along with 189 compliments.

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 including:

Council Induction	Licensing	Audit
Planning	Scrutiny	Children & Young People
Finance	Governance	Safeguarding
Security at Events	Equalities	

- 82 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.

- 83 Scrutiny Member Development programme is in place which provides ongoing specific skills based training for Members and includes scrutiny induction.
- 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 and more recently, the General Data Protection Regulation 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 clarified 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. A community governance review was undertaken to improve community engagement.
- 90 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 identified shifts and changes needed in Monmouthshire and positioned 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

- 91 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.
- 92 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". All agendas are published in advance on the Council's website and the Cabinet meetings are live streamed.
- 93 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. In July 2017 Wales Audit Office reported to Audit Committee that the "Council has a clear strategic approach for significant service changes, although better information would help Members when deciding the future shape of the Council".
- 94 The most recent update on the action the Council is taking in response to the proposal was reported to Audit Committee in July 2017. 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. Work is ongoing training report writers to implement improvements and senior officer accountability. 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.
- 95 The anti-fraud, bribery and corruption strategy was revised and updated during 2017/18. It was approved by Cabinet July 2017 and provides a deterrent, promotes detection, identifies a clear pathway for investigation and encourages prevention. The Council's Council Tax Reduction Anti-Fraud Policy was approved by Cabinet in June 2015.
- 96 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.
- 97 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.
- 98 The Chief Internal Auditor will ensure Internal Audit complies with the Public Sector Internal Audit Standards. A self assessment was undertaken during 2017/18 to assess compliance with the

Standards which was validated in March 2018 by an external assessor, the Chief Internal Auditor of Neath Port Talbot Council. The outcome of which was that the Internal Audit team is generally compliant, the highest level of compliance.

- 99 The Council has an objective and professional relationship with its external auditors and statutory inspectors.
- 100 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

101 The Council's Strategic Risk Management Policy was updated and approved by Cabinet in March 2018. 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.

102 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.

103 The Council's Strategic Risk Assessment for 2017/18 contains 16 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 does not remain relevant and viable for future generations due to not having a sustainable delivery model.	2017/18	Medium	Low
		2018/19	Medium	Low
		2019/20	Medium	Low
2	Without appropriate and effective governance infrastructure the Council may not deliver its objectives.	2017/18	Medium	Medium
		2018/19	Medium	Low

		2019/20	Medium	Low
3	The Council and partners do not make sufficient progress to improve well-being through regional and partnership working.	2017/18	Medium	Medium
		2018/19	Medium	Medium
		2019/20	Medium	Low
4	Some services may become financially unsustainable in the short to medium term	2017/18	Medium	Low
		2018/19	Medium	Low
		2019/20	Medium	Low
5	The authority is unable to deliver its political priorities due to insufficient capital funding availability which may also lead to risks of maintaining key infrastructure and other identified pressures.	2017/18	Medium	Medium
		2018/19	Medium	Medium
		2019/20	High	Medium
6	Our workforce is not sufficiently resourced and does not have the right mix of skills which impacts our ability to deliver change, improve performance and deliver our objectives.	2017/18	Medium	Medium
		2018/19	Medium	Medium
		2019/20	Medium	Medium
7	Significant harm to vulnerable children or adults due to failure of safeguarding arrangements	2017/18	Medium	Medium
		2018/19	Medium	Medium
		2019/20	Medium	Medium
8	The robust delivery of the Council's corporate parenting responsibility and services related to safeguarding vulnerable children as a result of an increase in demand and complexity in cases in Children's services.	2017/18	Medium	Medium
		2018/19	Medium	Medium
		2019/20	Medium	Low
9	Failure to meet the needs of vulnerable learners may result in them not achieving their full potential	2017/18	Medium	Medium
		2018/19	Medium	Medium
		2019/20	Medium	Low
10	Information security breaches due to mismanagement of information or external parties gaining access to the network 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.	2017/18	Medium	Medium
		2018/19	Medium	Medium
		2019/20	Medium	Medium
11	Not adequately transitioning to the requirements of the General Data Protection Regulation resulting in reputational damage and risk of fines to the Council	2017/18	Medium	Medium
		2018/19	Medium	Medium
		2019/20	Medium	Low
12	Major disruption to services due to the transfer of the Council's email and skype to Office 365.	2017/18	Medium	Low
		2018/19	Medium	Low
		2019/20	Low	Low
13	A lack of appropriate infrastructure in the County to meet future needs due to key Local Development Plan housing policy targets not being met, in conjunction with the County's	2017/18	Medium	Medium
		2018/19	Medium	Medium

	changing demography and other external changes such as Severn Bridge tolls and this impact on the housing market. These factors can also impact on planning for other infrastructure such as transport and energy.	2019/20	Medium	Low
14	Insufficient ICT infrastructure and skills in the county have the potential to lead to social and economic disadvantages	2017/18	Medium	Medium
		2018/19	Medium	Medium
		2019/20	Medium	Medium
15	Political, legislative and financial uncertainty for council services and local businesses as a result of Britain leaving the European Union.	2017/18	High	High
		2018/19	High	High
		2019/20	High	High
16	The authority cannot deliver its services due to potential internal/external factors – resulting in service disruption due to lack of Business Continuity planning.	2017/18	Medium	Medium
		2018/19	Medium	Medium
		2019/20	Medium	Medium

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

- 104** The South East Wales Education Achievement Service (EAS) Business Plan 2018-2020 was presented to Cabinet in March 2018. The plan sets out the priorities, programmes and outcomes to be achieved by the EAS on behalf of the South East Wales Consortium.
- 105** 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.
- 106** 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
- 107** 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.
- 108** 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.
- 109** 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.
- 110** The Whole Authority Report complaints, comments and compliments 2016/17 was presented to Audit Committee in January 2018 which identified the number and types of feedback received and

dealt with from 1 April 2016 until 31 March 2017. 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.

Information Governance

- 111** Monmouthshire County Council (MCC) has been working through a "Dripping tap campaign" to raise awareness of and comply with the General Data Protection Regulation 25th May 2018- specifically following the "12 Steps to Compliance" as recommended by the Information Commissioner's Office (ICO). SLT has been kept abreast with key risks and updates on behalf of the Information Governance Group chaired by Senior Information Risk Officer (SIRO) who meet regularly to ensure that MCC is on track. GDPR Operational Leads have been established, along with Digital Champions linking in with teams, individuals and volunteers to ensure compliance and messages are communicated. Elected Members are data controllers in their own right and must register with the ICO.
- 112** Activity undertaken to date includes: workshops, conference, focus groups, drop-in sessions including legal and procurement advice, HUB articles, online Quiz (186+ participated) all staff emails and face to face training (450+staff to date). MCC has also produced a short video introducing the key principles of GDPR A-F (200+ views), signposting where to find further information about compliance, all staff had to watch before 25th May 2018. GDPR is now introduced at Corporate and local inductions, to become embedded as a culture.
- 113** To provide tools to do the job, MCC have a dedicated GDPR website (over 2k visits to date) with templates (e.g. for privacy notices), charts (e.g. for establishing individual rights) and general advice/ updates on the regulation. There are 24 open and transparent service plans published internally on specific work stream actions being undertaken in following the brackets: Data collection and use, retention and disposal, systems and technology, security, governance, training/ awareness and staff data.
- 114** To keep the public informed, MCC looks to launch its online privacy notice library, which will host a comprehensive list of privacy notices that sit across the directorates/ teams. Services will also where appropriate pro-actively promote notices by way of email, newsletter, app notification, letter, printed display or web link. Privacy notices are to be reviewed by Services on a regular basis for accuracy along with other GDPR related documents (Such as Information Audit- "Systems List" and Data Protection Impact Assessments).
- 115** The Corporate GDPR Policy will be included on the public website for clarity. Related policies will be updated accordingly by relevant lead officers, so that they satisfy GDPR requirement. Links are in place to work with the South East Wales Information Forum (SWIF) on a regular basis to share best practice. Good housekeeping is encouraged as is continuous improvement to mitigating against the risk of harm to individuals, although it is recognised further work is required to back date data cleansing tasks which require considerable capacity.

Main areas for Improvement

- 116** 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:
- continue to deliver awareness raising sessions on the importance of compliance with Contract Procedure Rules and Financial Procedure Rules;
 - Revise and update the Code of Corporate Governance and get it formally approved by Cabinet
 - Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources.
 - Improve performance management arrangements and improve strategic planning;

Action Plan 2016/17

- 117** Appendix 1 shows how the 2016/17 Action plan areas for improvement have been addressed during 2017/18.
- 118** An Action Plan for 2017/18 has been developed to capture known gaps in the Council's governance arrangements; the areas for improvement will be reviewed and considered during 2018/19 to further enhance the Council's governance arrangements. This is shown at Appendix 2.

Monitoring & Evaluation

- 119** 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:**2018**
Leader

Signed:**2018**
Chief Executive

Appendix 1

Main areas of improvement for 2016/17 addressed

The following Table outlines where the Council has addressed gaps previously identified in its 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	The Corporate Plan sets out a clear direction for the Council up to 2022; the objectives of which will be measured over time using process, output and satisfaction measures. Target setting has been developed and incorporated within the business planning process. Further training will be delivered via The Talent Lab.
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;	Training sessions have been provided for schools and school governors. This programme needs to be expanded to cover all staff.
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'	Process has been reviewed and rolled out with more robust guidance, video tutorials and supportive training. A more effective recording module has been developed to enable information to be recorded directly into MYVIEW system.
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	An evaluation assessment, option appraisal, consultation section have now been included within the decision making report template. Greater accountability on senior officers for ensuring reports meet the required standard.
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.	A community governance review has been completed, with new arrangements being piloted in one Area Committee. The Whole Place and Strategic Partnership Teams have subsequently been merged into a single Partnership and Community Development Team in order to better align strategic intent and focus on building sustainable and resilient communities.

Action Plan 2017/18

The following areas will be reviewed and considered during 2018/19 to further enhance the Council's governance arrangements:

Governance Principle	Area for Improvement	Progress
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 A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	The Code of Corporate Governance was last approved by Council in July 2011. This will need to be updated and approved in line with Delivering Good Governance in Local Government Framework 2016'	
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.	
Principle F: Managing risks and performance through robust internal control and strong public financial management	Improve performance management arrangements and improve strategic planning	

4 The independent auditor's report of the Auditor General for Wales to the members of Monmouthshire County Council

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Monmouthshire County Council for the year ended 31 March 2018 under the Public Audit (Wales) Act 2004.

Monmouthshire County Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

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 2017-18 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial position of Monmouthshire County Council as at 31 March 2018 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The responsible financial officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements 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.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18;
- The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with guidance.

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 financial statements are not in agreement with the accounting records and returns;
- the governance statement contains material misstatements of fact or is inconsistent with other information I am aware of from my audit; or
- I have not received all the information and explanations I require for 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 Auditor General for Wales' Code of Audit Practice.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Anthony J Barrett
For and on behalf of the Auditor General for Wales

24 Cathedral Road
Cardiff
CF11 9LJ

Movement In Reserves Statement for the Year Ended 31st March 2018							
	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 2016		8,267	9,268	5,423	22,958	11,930	34,888
<i>Movement in reserves during 2016/17</i>							
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	13,802	(13,802)	-
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		(886)	(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
<i>Movement in reserves during 2017/18</i>							
Total Comprehensive Income and Expenditure		(17,210)	-	-	(17,210)	15,117	(2,091)
Adjustments between accounting basis & funding basis under regulations	10.2	16,686	-	(15,598)	1,088	(1,088)	0
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(524)	-	(15,598)	(16,122)	14,030	(2,091)
Transfers to/(from) Earmarked Reserves	10.4	430	(430)	-	-	-	-
Increase/(Decrease) in 2017/18		(95)	(430)	(15,598)	(16,122)	14,030	(2,091)
Balance at 31st March 2018 carried forward		7,286	7,374	3,554	18,214	(2,630)	15,585

Comprehensive Income & Expenditure Statement for the Year Ended 31st March 2018							
2016/17 (Restated**)					2017/18		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
70,111	(11,894)	58,217	Children & Young People		71,098	(11,746)	59,352
58,054	(14,014)	44,040	Social Care & Health		64,096	(16,188)	47,908
10,960	(4,777)	6,184	Enterprise		24,290	(9,768)	14,523
54,218	(27,541)	26,677	Chief Executives Unit		42,786	(21,599)	21,188
32,083	(20,083)	12,000	Resources		40,964	(24,354)	16,610
2,579	(262)	2,317	Corporate		2,566	(355)	2,211
228,006	(78,571)	149,434	Cost of Services	11.1	245,800	(84,009)	161,791
			Other operating expenditure:				
			<i>Precepts & Levies:</i>				
9,925	0	9,925	Gwent Police Authority		10,421	0	10,421
4,209	0	4,209	South Wales Fire & Rescue Authority		4,301	0	4,301
2,150	0	2,150	Community and Town Councils		2,480	0	2,480
106	0	106	National Parks		106	0	106
98	0	98	Internal Drainage Boards		94	0	94
17,420	(20,511)	(3,091)	Gains/losses on the disposal of non-current assets		1,322	(722)	600
		13,397	Total Other operating expenditure				18,000
15,956	(7,308)	8,648	Financing and investment income and expenditure	11.3	17,444	(7,858)	9,586
			Taxation & non-specific grant income:				
0	(64,076)	(64,076)	Council Tax	11.5	0	(67,051)	(67,051)
0	(27,981)	(27,981)	Non-domestic rates redistribution	11.6	0	(30,419)	(30,419)
0	(76,998)	(76,998)	General government grants	11.7	0	(74,698)	(74,698)
		2,424	(Surplus) or Deficit on Provision of Services				17,210
			Other Comprehensive Income and Expenditure:				
		(7,200)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets				(886)
		21,988	(Gains)/losses on remeasurement of pension assets / liabilities	14.3			(14,231)
		14,788	Total Other Comprehensive Income and Expenditure				(15,117)
		17,213	Total Comprehensive Income and Expenditure				2,092

** The gross expenditure & income figures within the 2016/17 Cost of services have been restated to reflect the correct removal of all support service recharges so that the CIES is consistent with the management reporting structure of the Council. There is no impact on the total net expenditure of £149.434m.

Balance Sheet as at 31st March 2018			
31st March 2017		Note	31st March 2018
£000s			£000s
173,547	Other land and buildings	12.1	204,598
4,786	Vehicles, plant, furniture and equipment	12.1	5,245
61,417	Infrastructure	12.1	62,662
4,021	Community assets	12.1	4,235
40,724	Assets under construction	12.1	33,113
360	Surplus assets not held for sale	12.1	910
4,882	Heritage Assets	12.7	4,643
41,932	Investment Property	12.5	45,153
647	Intangible Assets		489
40	Long-Term Investments	13.1	40
4,240	Long Term Debtors	13.5	3,144
336,596	Long term assets		364,231
0	Short Term Investments	13.1	10,038
349	Inventories		242
19,937	Short Term Debtors	13.5	21,855
6,498	Cash and Cash Equivalents	15.3	7,354
2,933	Assets Held for Sale	12.6	1,450
29,717	Current Assets		40,938
(30)	Cash and Cash Equivalents	15.3	(774)
(20,267)	Short Term Borrowing	13.1	(54,958)
(28,437)	Short Term Creditors	13.6	(31,980)
(3,598)	Provisions	13.7	(3,986)
(52,332)	Current Liabilities		(91,698)
(217,236)	Liability related to defined benefit pension scheme	14.4	(217,645)
(353)	Provisions	13.7	(385)
(69,682)	Long Term Borrowing	13.1	(74,912)
(1,755)	Other Long Term Liabilities	13.1	(1,745)
(5,286)	Capital Grants Receipts in Advance	11.7(b)	(1,310)
(1,992)	Revenue Grants Receipts in Advance		(1,890)
(296,304)	Long Term Liabilities		(297,887)
17,676	Net Assets		15,585
7,381	Council Fund Balance	10.3	7,286
7,804	Earmarked Reserves	10.4	7,374
19,152	Capital Receipts Reserve	10.6	3,555
34,337	Usable Reserves		18,215
48,771	Revaluation Reserve	10.7	46,299
(217,236)	Pensions Reserve	10.9	(217,645)
151,889	Capital Adjustment Account	10.8	170,061
4,000	Deferred Capital Receipts Reserve	10.11	3,000
(839)	Financial Instrument Adjustment Account		(744)
(3,245)	Accumulating Absence Adjustment Account	10.10	(3,601)
(16,660)	Unusable Reserves		(2,630)
17,676	Total Reserves		15,585

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Cash Flow Statement for the Year Ended 31st March 2018

31st March 2017			31st March 2018
£000		Note	£000
2,424	Net (surplus) or deficit on the provision of services	15.1	17,210
(29,565)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	15.1	(32,362)
29,327	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	15.1	6,251
2,186	Net cash flows from Operating Activities	15.1	(8,902)
34,512	Purchase of property, plant and equipment, investment property and intangible assets		45,801
14,000	Purchase of short-term and long-term investments		70,070
781	Other payments for investing activities		1,703
(16,677)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets		(1,727)
(17,999)	Proceeds from short-term and long-term investments		(61,090)
(21,653)	Other receipts from investing activities		(6,352)
(7,036)	Net Cash (Inflow)/Outflow from Investing Activities		48,405
	Financing Activities		
37,938	Repayments of short and long-term borrowing		74,543
30	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		31
(32,455)	Cash receipts of short and long-term borrowing		(114,190)
(536)	Other receipts from financing activities		0
4,977	Net Cash (Inflow)/Outflow from Financing Activities		(39,615)
127	Net (increase) / decrease in cash and cash equivalents		(111)
6,596	Cash and cash equivalents at the beginning of the reporting period		6,468
6,469	Cash and cash equivalents at the end of the reporting period	15.3	6,579

**Notes to the Accounts
for the Year Ended
31st March 2018**

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 2016 £000	Movement in Reserve £000	Balance at 31st March 2017 £000	Movement in Reserve £000	Balance at 31st March 2018 £000
Usable Reserves:						
Council Fund balance: Authority	10.3	7,111	0	7,111	0	7,111
Council Fund balance: LMS School Balances	10.5	1,156	(887)	269	(94)	175
Earmarked reserves	10.4	9,268	(1,464)	7,804	(430)	7,374
Capital Receipts Reserve	10.6	5,423	13,729	19,152	(15,597)	3,555
Total Usable Reserves		22,958	11,377	34,337	(16,121)	18,215
Unusable Reserves:						
Revaluation Reserve	10.7	47,671	1,100	48,771	(2,472)	46,299
Capital Adjustment Account	10.8	155,410	(3,521)	151,889	18,172	170,061
Financial Instruments Adjustment Account		(934)	95	(839)	95	(744)
Pension Reserve	10.9	(188,225)	(29,011)	(217,236)	(409)	(217,645)
Deferred Capital Receipts Reserve		0	4,000	4,000	(1,000)	3,000
Accumulated Absences Adjustment Account	10.10	(1,992)	(1,253)	(3,245)	(356)	(3,602)
Total Unusable Reserves		11,930	(28,590)	(16,660)	14,030	(2,630)
Total Authority Reserves		34,888	(17,212)	17,676	(2,091)	15,585

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 2017/18:	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	13,691	-	(13,691)
Charges for impairment of Heritage Assets	25	-	(25)
Revaluation movements on Heritage Assets	251	-	(251)
Revaluation movements on Property Plant and Equipment (charged to SDPS)	1,185	-	(1,185)
Revaluation movements on Assets Held for Sale (charged to SDPS)	50	-	(50)
Movements in the market value of Investment Properties	1,982	-	(1,982)
Amortisation and impairment of intangible assets	160	-	(160)
Capital grants and contributions applied	(13,318)	-	13,318
Revenue expenditure funded from capital under statute	1,703	-	(1,703)

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Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	941	-	(941)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:			
Statutory provision for the financing of capital investment (MRP)	(3,895)	-	3,895
Capital expenditure charged against the Council Fund	(264)	-	264
Adjustments involving the Capital Receipts Reserve:			
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(727)	1,727	(1,000)
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(17,324)	17,324
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	25,568	-	(25,568)
Employer's pensions contributions and direct payments to pensioners payable in the year	(10,928)	-	10,928
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	356	-	(356)
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	16,686	(15,598)	(1,088)

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)	0	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	0	(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)

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 £175,000 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 2016 £000	In Year Movement £000	At 31st March 2017 £000	In Year Movement £000	At 31st March 2018 £000
Amount of Council Fund Balance held by Schools under Local Management Schemes	1,156	(887)	269	(94)	175
Amount of Council Fund Balance generally available for new expenditure	7,111	0	7,111	0	7,111
Total Council Fund Balance	8,267	(887)	7,380	(94)	7,286
Earmarked Revenue Reserves	9,268	(1,464)	7,804	(430)	7,374
Total Usable Reserves available for Revenue Purposes	17,535	(2,351)	15,184	(523)	14,660

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 2017/18 can be summarised as follows:

	At 1st April 2016 £000	Transfer to Reserves £000	Transfer from Reserves £000	At 31st March 2017 £000	Transfer to Reserves £000	Transfer from Reserves £000	At 31st March 2018 £000

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Invest to Redesign	1,298	75	(412)	961	567	(225)	1,302
Priority Investment	1,120	593	(713)	1,000	155	(468)	687
Insurance and risk management	1,236	-	(153)	1,083	0	(37)	1,046
IT Transformation	827	147	(246)	728	55	(48)	735
Treasury equalisation	990	-	-	990	0	0	990
Capital Investment	1,265	-	(489)	776	0	(127)	648
Redundancy and Pensions	1,274	114	(593)	795	0	(298)	497
Capital Receipt Generation	322	100	(75)	348	70	(70)	347
Other reserves							
Elections	108	25	-	133	25	(100)	58
Museums acquisition	57	-	-	57	0	(1)	56
Solar Farm Maintenance & Community Fund	0	-	-	0	23	0	23
Service Reserves:							
Grass Routes Buses	140	54	(9)	184	0	(38)	146
Schools sickness & maternity cover	104	-	(10)	94	0	(93)	1
Trading Accounts:							
Youth Offending Team	325	-	(51)	274	0	(25)	249
Outdoor education centres	190	-	-	190	0	(61)	129
Building Control	12	14	-	25	0	(4)	22
Rural Development Plan	0	86	-	86	191	0	278
Highways Plant & Equipment Replacement	0	75	-	75	75	0	150
Homeless Prevention	0	5	-	5	5	0	10
Total	9,268	1,287	(2,751)	7,804	1,166	(1,596)	7,374

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.

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 £175,225 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 2016	In Year Movement	At 31st March 2017	In Year Movement	At 31st March 2018
	£	£	£	£	£
Comprehensives					
Caldicot	208,860	(175,124)	33,736	(134,373)	(100,637)
Chepstow	(414,066)	332,999	(81,068)	239,524	158,456
King Henry VIII	107,368	(246,723)	(139,355)	(23,105)	(162,460)
Monmouth	45,772	(146,345)	(100,573)	(323,378)	(423,950)
Sub Total Comprehensives	(52,067)	(235,193)	(287,259)	(241,332)	(528,591)
Primaries					
Archbishop R Williams	84,489	(34,832)	49,657	29,798	79,455
Cantref	41,987	10,779	52,766	13,199	65,965
Castle Park	(21,446)	(24,669)	(46,115)	2,456	(43,659)
Cross Ash	51,269	(5,648)	45,620	13,736	59,356
Deri View	86,054	(58,757)	27,297	12,703	40,000
Dewstow	112,598	(22,473)	90,125	15,501	105,626
Durand	60,520	(6,589)	53,931	17,734	71,664
Gilwern	41,298	(1,662)	39,636	12,617	52,253
Goytre Fawr	53,920	(28,549)	25,371	(14,568)	10,803
Kymin View	18,774	(8,480)	10,294	24,363	34,657
Llandogo	(11,446)	1,710	(9,736)	(2,713)	(12,449)
Llanfair Kilgeddin CV	66,824	(66,824)	0	0	0
Llanfoist	93,789	(25,734)	68,056	(18,476)	49,579
Llantilio Pertholey	37,176	(16,209)	20,967	(16,527)	4,439
Llanvihangel Crucorney	(23,605)	20,488	(3,117)	3,628	511
Magor Vol Aided	56,008	(20,828)	35,179	(54,406)	(19,226)
New Pembroke Primary	36,201	(27,375)	8,826	(8,645)	181
Osbaston Church in Wales	37,344	(18,774)	18,570	(17,935)	635
Our Lady's & St Michael's Catholic Primary	30,654	14,851	45,505	(52,589)	(7,085)
Overmonnow	(19,101)	23,060	3,959	24,430	28,389

Raglan	18,369	(130,346)	(111,977)	(35,766)	(147,743)
Rogiet	59,613	(25,429)	34,184	(8,039)	26,145
Shirenewton	81,560	5,809	87,369	31,230	118,600
St Mary's (Chepstow)	25,385	(38,577)	(13,192)	19,247	6,055
The Dell	50,266	(4,172)	46,094	(23,929)	22,165
Thornwell	2,253	(22,787)	(20,534)	10,969	(9,566)
Trellech	86,281	(519)	85,762	1,888	87,650
Undy	16,641	(66,677)	(50,037)	21,816	(28,221)
Usk CV	71,295	(15,187)	56,108	6,812	62,920
Ysgol Gymraeg Y Fenni	58,741	(9,774)	48,966	9,999	58,965
Ysgol Gymraeg Ffin	13,168	(80,578)	(67,410)	29,794	(37,617)
Sub Total Primaries	1,316,875	(684,754)	632,122	48,327	680,449
Special					
Mounton House	(154,854)	12,437	(142,417)	108,833	(33,584)
Pupil Referral Unit	46,208	20,132	66,340	(9,389)	56,952
Sub Total Special	(108,646)	32,569	(76,077)	99,444	23,367
Total	1,156,163	(887,377)	268,786	(93,561)	175,225

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.

2016/17 £000		2017/18 £000
5,423	Balance as at 1st April	19,152
16,670	Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,723
7	Transfer from Deferred Capital Receipts Reserve upon receipt of cash	4
(2,949)	Less: use of the Capital Receipts Reserve to finance new capital expenditure	(17,324)
19,152	Balance as at 31st March	3,554

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.

2016/17 £000		2017/18 £000
47,671	Balance at 1 April	48,771
7,955	Upward revaluation of assets	1,876

(755)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(989)
(2,731)	Difference between fair value depreciation and historical cost depreciation	(3,300)
(3,368)	Accumulated gains on assets sold or scrapped	(58)
48,771	Balance at 31 March	46,299

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.

2016/17 £000		2017/18 £000
155,410	Balance at 1 April	151,889
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(11,940)	Charges for depreciation and impairment of property, plant and equipment assets	(13,691)
-	Revaluation movements on heritage assets	(251)
(8)	Charges for impairment of heritage assets	(25)
(28)	Revaluation movements on Property, Plant and Equipment	(1,185)
0	Revaluation movements on Assets Held for Sale	(50)
(181)	Amortisation & impairment of intangible assets	(160)
(781)	Revenue expenditure funded from capital under statute	(1,703)
(13,999)	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	(883)
2,731	Adjusting amounts written out of the Revaluation Reserve	3,300
	Capital financing applied in the year:	
2,949	Use of the Capital Receipts Reserve to finance new capital expenditure	17,324
13,431	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	13,318
3,278	Statutory provision for the financing of capital investment charged against the Council Fund	3,895
894	Capital expenditure charged against the Council Fund	264
133	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(1,982)
151,889	Balance at 31 March	170,061

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.

2016/17 £000		2017/18 £000
(188,225)	Balance at 1 April	(217,236)
(21,988)	Remeasurement gains or (losses) on pension assets and liabilities	14,231
(17,774)	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	(25,568)
10,751	Employer's pensions contributions and direct payments to pensioners payable in the year	10,928
(217,236)	Balance at 31 March	(217,645)

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.

2016/17 £000		2017/18 £000
(1,992)	Balance at 1 April	(3,245)
1,992	Settlement or cancellation of accrual made at the end of the preceding year	3,245
(3,245)	Amounts accrued at the end of the current year	(3,601)
(3,245)	Balance at 31 March	(3,602)

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.

2016/17 £000		2017/18 £000
0	Balance at 1 April	4,000
4,000	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
0	Reduction in Deferred Capital Receipts balance to Net present value of future lease payments	(1,000)
0	Transfer to the Capital Receipts Reserve upon receipt of cash	0
4,000	Balance at 31 March	3,000

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).

2016/17 (Restated)				2017/18		
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
49,798	8,419	58,217	Children & Young People	49,853	9,499	59,352
42,752	1,288	44,040	Social Care & Health	43,862	4,046	47,908
5,376	807	6,183	Enterprise	10,150	4,372	14,522
21,328	5,349	26,677	Chief Executives Unit	15,462	5,726	21,188
5,268	6,732	12,000	Resources	7,188	9,423	16,610
19,537	(17,220)	2,317	Corporate	19,717	(17,507)	2,211
144,059	5,375	149,434	Cost of Services	146,232	15,559	161,791
(144,059)	(2,951)	(147,010)	Other Income & Expenditure	(146,232)	1,652	(144,581)
0	2,424	2,424	Surplus or Deficit	(0)	17,210	17,210
(7,111)			Opening General Fund Balance	(7,111)		
0			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:

2016/17 (Restated)					2017/18			
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
6,938	(83)	1,564	8,419	Children & Young People	7,307	1,776	416	9,499
641	482	165	1,288	Social Care & Health	1,298	2,816	(68)	4,046
320	221	266	807	Enterprise	2,626	1,804	(58)	4,372
4,720	436	193	5,349	Chief Executives Unit	3,806	1,764	156	5,726
311	109	6,312	6,732	Resources	1,975	828	6,620	9,423
0	(733)	(16,488)	(17,220)	Corporate	0	(105)	(17,401)	(17,507)
12,931	432	(7,988)	5,375	Cost of Services	17,012	8,883	(10,335)	15,559
(3,148)	0	16,470	13,322	Other operating expenditure	581	0	17,349	17,930
(3,483)	6,591	(97)	3,011	Financing and investment income and expenditure	(4,082)	5,759	1,287	2,964

(13,431)	0	(5,852)	(19,283)	Taxation and non-specific grant income and expenditure	(13,318)	0	(5,924)	(19,242)
(20,062)	6,591	10,521	(2,951)	Other Income & Expenditure	(16,819)	5,759	12,712	1,652
(7,131)	7,023	2,533	2,424	Adjustments between the Funding & Accounting Basis	193	14,642	2,377	17,210

11.2 Expenditure & Income analysed by nature

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

2016/17 £000 (Restated)		2017/18 £000
111,102	Employee benefits expenses	119,533
115,979	Other services expenses	117,894
14,170	Depreciation, amortisation and impairment	23,235
16,488	Precepts & levies	17,401
2,932	Interest payments	2,968
17,199	Gain/loss on disposal of non-current assets	936
277,870	Total Expenditure	281,967
(44,951)	Fees, charges & other service income	(50,430)
(111)	Interest and investment income	(179)
(91,884)	Income from council tax & NNDR	(97,401)
(117,990)	External grants and contributions	(116,025)
(20,510)	Gain/loss on disposal of non-current assets	(722)
(275,445)	Total Income	(264,757)
2,424	Surplus or Deficit on the Provision of Services	17,210

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 2017			Note	31st March 2018		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
2,931	(9)	2,922	Interest payable and similar charges	2,967	(12)	2,955
6,591	-	6,591	Pensions interest cost and expected return on pensions assets	5,759	-	5,759
-	(70)	(70)	Interest receivable and similar income	-	(133)	(133)
667	(1,274)	(607)	Income and expenditure in relation to investment properties and changes in their fair value	4,384	(3,293)	1,091
5,768	(5,937)	(169)	(Surpluses)/deficits on trading undertakings not included in the Net Cost of Services	4,334	(4,394)	(60)

0	(20)	(20)	Other investment income	13.2	-	(24)	(24)
15,957	(7,310)	8,647	Total Financing and Investment Income and Expenditure		17,444	(7,857)	9,587

11.4 Significant Trading Operations

The Authority has established 5 trading units where the service manager is required to operate in a commercial environment and balance their budget by generating income from other parts of the authority or other organisations. Building Cleaning and Highways External Clients have been removed from the note for 2017/18 as they no longer operate in a commercial environment.

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 make a profit whilst ensuring value for money to all customers. The unit competes successfully in the private sector carrying out work that includes play areas, horticulture and fencing.

2016/17				2017/18		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
(2,480)	(1,225)	(3,705)	Turnover	(1,820)	(1,227)	(3,047)
2,481	1,167	3,648	Expenditure	1,822	1,196	3,018
1	(58)	(57)	(Surplus)/Deficit	2	(31)	(29)

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 deficit of £4,000 (£14,000 surplus in 2016/17). The building control trading account reserve has a £22,000 surplus as at 31st March 2018. 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.

2016/17				2017/18		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
-	(373)	(373)	Turnover	-	(389)	(389)
-	(373)	(373)	- Chargeable	-	(389)	(389)
-	-	-	- Non-Chargeable	-	-	-
-	503	503	Expenditure	-	544	544
-	359	359	- Chargeable	-	393	393
-	144	144	- Non-Chargeable	-	151	151
-	130	130	(Surplus)/Deficit	-	155	155
-	(14)	(14)	- Chargeable	-	4	4
-	144	144	- Non-Chargeable	-	151	151

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. The financial performance in 2017/18 was impacted by redundancy expenses and increased premises costs and a small downturn in income. Performance will be closely monitored in 18-19 to ensure that any potential shortfalls are managed in year.

2016/17				2017/18		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total

-	(349)	(349)	Turnover	-	(344)	(344)
-	348	348	Expenditure	-	398	398
-	(1)	(1)	(Surplus)/Deficit	-	54	54

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.

2016/17				2017/18		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
-	(191)	(191)	Turnover	-	(191)	(191)
-	112	112	Expenditure	-	100	100
-	(79)	(79)	(Surplus)/Deficit	-	(91)	(91)

Trade Refuse

The Authority offers a residual waste collection to local businesses. Turnover is down from previous year due to increased competition from other market providers, this has affected our bottom line position.

2016/17				2017/18		
£000 Internal	£000 External	£000 Total		£000 Internal	£000 External	£000 Total
-	(456)	(456)	Turnover	-	(423)	(423)
-	294	294	Expenditure	-	274	274
-	(162)	(162)	(Surplus)/Deficit	-	(149)	(149)

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.

2016/17 £000		2017/18 £000
(169)	Net (Surplus)/Deficit On Trading Operations	(60)
-	- Services to the Public included in Expenditure of Continuing Operations	-
(1)	Support Services recharged to Expenditure of Continuing Operations	0
(170)	Net (Surplus)/Deficit taken to financing and investment income and expenditure	(60)

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 45,537 for 2017/18 (45,102 for 2016/17).

This average basic amount for a Band D property, £1,466.49 (£1,405.95 in 2016/17), 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	516	3293	6901	8650	7086	7444	5249	1744	672
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:

2016/17 £000		2017/18 £000
(63,903)	Council tax collectable	(66,983)
(172)	Provision for non-payment of council tax	(68)
(64,076)	Total Council Tax proceeds	(67,051)

11.6 National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Welsh Government specifies an amount for the rate, 0.499p per £ in 2017/18 (0.486p per £ in 2016/17) 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 £22,807,429 (£20,066,000 for 2016/17) was based on an average rateable value of £61,374,717 (£56,274,091 for 2016/17).

2016/17 £000		2017/18 £000
20,249	Non-domestic rates collectable	22,996
(174)	Cost of collection allowance	(179)
(9)	(Increase)/Decrease in provision for bad debts	(10)
20,066	Payments into national pool	22,807
(27,981)	Redistribution from national pool	(30,419)

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:

2016/17 £000		2017/18 £000
(63,567)	Revenue support grant	(61,380)
(13,431)	Capital grants and contributions	(13,318)
(76,998)	Total	(74,698)

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 2017/18:

2016/17 £000		2017/18 £000
1,461	WAG General Capital Grant	1,462
713	Section 106 Developer Contributions	723
11,869	WAG Grants	12,913

8	Other Contributions	0
14,051	Total	15,099
<i>Credited to the Comprehensive Income and Expenditure Statement:</i>		
(619)	Grants and contributions applied towards Revenue Expenditure Funded from Capital under Statute	(1,173)
(13,431)	Capital grants and contributions applied and credited to Taxation and Non-specific Grant Income	(13,926)
(14,051)	Total	(15,099)

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:

2016/17 £000		2017/18 £000
<i>Capital Grants Receipts in Advance:</i>		
3,692	Welsh Government	0
<i>Developer Contributions held in Advance:</i>		
1,593	S106 Developer contributions	1,310
5,285	Total	1,310

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:

2016/17 £000		2017/18 £000
<i>Central Government:</i>		
21,610	Housing benefit subsidy	20,959
<i>Welsh Assembly Government:</i>		
3,264	Sixth Form Funding (DCELLS)	3,002
4,062	SEG / WEG (PDG)	4,219
2,136	Supporting People	2,039
1,898	Waste Management	1,979
251	Rural Development Plan	530
1,160	Flying Start Grant	1,182
697	Concessionary Fares (PTSG)	709
651	Families First	647
3,268	Other WAG grants	4,488
<i>Home Office:</i>		
172	Afghan / Syrian Relocation Programme (Main Project)	137
145	Police and Crime Commissioner	53
2,068	<i>Other Grants & Contributions</i>	2,038
41,382	Revenue Grants and Contributions Receivable	41,982

12 NON-CURRENT ASSET & CAPITAL FINANCING NOTES

12.1 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 2018 and 31st March 2017.

Movements in 2017/18:	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*
Cost or Valuation:								
At 1st April 2017	180,177	14,028	85,891	4,021	360	40,724	325,201	1,310
Additions	14,690	1,685	5,004	58	-	22,326	43,763	-
Revaluation movements taken to RRA	812	(0)	-	(8)	(372)	-	432	101
Revaluation movements taken to SDPS	(2,557)	-	-	-	(277)	0	(2,835)	-
Impairment movements taken to SDPS	(546)	-	(2,230)	-	0	-	(2,776)	-
Reclassified (to)/from Held for Sale	18	(1,107)	-	0	1,200	-	112	-
Other reclassifications	24,694	-	35	164	0	(29,937)	(5,045)	-
At 31st March 2018	217,287	14,606	88,700	4,235	911	33,113	358,852	1,411
Accumulated Depreciation:								
At 1st April 2017	(6,629)	(9,242)	(24,474)	-	-	-	(40,345)	(139)
Depreciation charge	(8,164)	(1,188)	(1,564)	-	-	-	(10,915)	(54)
Depreciation written out on revaluation to RRA	446	-	-	8	0	-	455	157
Depreciation written out on revaluation to SDPS	1,650	-	-	-	0	-	1,650	-
Depreciation written out on impairment to SDPS	0	-	-	-	-	-	0	-
Reclassified to/(from) Held for Sale	-	1,068	-	-	-	-	1,068	-
Other reclassifications	8	-	-	(8)	0	-	0	-
At 31st March 2018	(12,689)	(9,361)	(26,037)	0	0	0	(48,087)	(36)
Net Book Value:								
At 31st March 2018	204,599	5,245	62,662	4,235	910	33,113	310,765	1,375
At 1st April 2017	173,548	4,786	61,417	4,021	360	40,724	284,855	1,171

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*
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)	-
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)	-	-	-	(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	249,827	1,216

12.2 Revaluations of Property, Plant & Equipment

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 2017/18 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 2018. The valuations carried out during 2017/18 primarily included Caldicot School, Oak Grove Solar Farm, Usk County Hall, Abergavenny Market and recreational areas & playing fields.

	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	0	5,245	62,662	4,234	910	33,113	106,165
Valued at fair value as at:							
31st March 2018	56,925	-	-	-	-	-	56,925
31st March 2017	84,523	-	-	-	-	-	84,523
31st March 2016	48,460	-	-	-	-	-	48,460

31st March 2015	14,690	-	-	-	-	-	14,690
31st March 2014	0	-	-	-	-	-	0
Total Cost or Valuation	204,598	5,245	62,662	4,234	910	33,113	310,765

12.3 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 2018, shown in the Authority's balance sheet, is £167,607,967 (£140,402,511 as at 31st March 2017).

12.4 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, their total net book value at 31st March 2018 being £1,375,000.

12.5 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:

2016/17 £000		2017/18 £000
(529)	Rental income from investment property	(833)
124	Direct operating expenses arising from investment property	212
(405)	Net (gain)/loss	(621)

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

2016/17 £000		2017/18 £000
41,098	Balance at start of the year	41,932
608	Additions	860
(5)	Disposals	(687)
133	Net gains/(losses) from fair value adjustments recognised in Financing and Investment Income and Expenditure	(1,982)
98	Transfers (to)/from Property, Plant and Equipment	5,031
41,932	Balance at end of the year	45,154

Capital receipts totalling £1,001,000 were credited to the Capital receipts reserve during 2017/18 in relation to investment properties (160,000 in 2016/17).

Fair Value Hierarchy

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

2016/17				Type of Property	2017/18			
Quoted Prices in active markets for identical assets	Other Observable inputs	Significant Unobservable inputs	Total		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		90	90	Freehold Reversions			90	90
0	40,072		40,072	Agricultural Properties		37,008		37,008
0		518	518	Retail Units			1,171	1,171
0		1,252	1,252	Industrial Properties			1,569	1,569
0			0	Solar Farm			5,314	5,314
0	40,072	1,860	41,932		0	37,008	8,145	45,153

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:

2016/17 £000		2017/18 £000
1,840	Balance at start of the year	1,860
0	Transfers (to)/from Level 3	0
51	Additions	6,269
0	Disposals	0
(31)	Net gains/(losses) from fair value adjustments included in Surplus or Deficit on the Provision of Services	16
1,860	Balance at end of the year	8,145

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%	
Solar Farm		Yield	6%	

12.6 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 2018 are shown below:

2016/17 £000		2017/18 £000
20,684	Balance outstanding at start of year	2,933
-	- Additions	-
1,034	Assets newly classified as held for sale: From PPE	38
(1,423)	Assets declassified as held for sale: To PPE	(1,218)
-	- Revaluation gains	-
-	- Revaluation losses	(50)
-	- Impairment losses	-
(17,362)	Assets sold	(253)
2,933	Balance outstanding at year-end	1,450

12.7 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 2016	151	4,464	180	4,795
Additions	95	-	-	95
Revaluation increases/ (decreases) recognised in the SDPS	-	-	-	0
Impairment losses/(reversals) recognised in the SDPS	(8)	-	-	(8)
31st March 2017	238	4,464	180	4,882
Cost or Valuation:				
Additions	24	-	-	24
Revaluation increases/ (decreases) recognised in the SDPS	(250)	-	-	(250)
Impairment losses/(reversals) recognised in the SDPS	(25)	-	-	(25)
Reclassified from property, plant and equipment	13	-	-	13
31st March 2018	0	4,464	180	4,644

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 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.

12.8 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 2017 £000		31st March 2018 £000
114,076	Opening Capital Financing Requirement	134,588
	Capital investment:	
39,507	Property, Plant and Equipment	43,763
608	Investment Properties	860
0	Assets held for sale	0
95	Heritage Assets	24
74	Intangible Assets	1
1,401	Revenue Expenditure Funded from Capital under Statute	3,484
	Sources of finance:	
(2,949)	Capital receipts	(17,324)
(14,051)	Government grants and other contributions	(15,099)
(894)	Direct revenue contributions	(264)
	Other:	
(3,278)	Minimum revenue provision	(3,895)
0	Capital receipt set aside	0
134,588	Closing Capital Financing Requirement	146,138
	Explanation of movements in year:	
2,400	Increase in underlying need to borrowing - supported by Government financial assistance	2,401
21,391	Increase in underlying need to borrowing - unsupported by Government financial assistance	13,044
(3,278)	Less: Minimum revenue provision	(3,895)
20,513	Increase / (decrease) in Capital Financing Requirement	11,550

12.9 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.

2016/17 £000		2017/18 £000
	Enhancing value:	
37,048	Property, plant and equipment	40,987
244	Investment properties	604
46	Intangible assets	1
0	Assets held for sale	0
87	Heritage assets	(1)
	Not enhancing value:	
2,459	Property, plant and equipment	2,776
364	Investment properties	256
28	Intangible assets	0
0	Assets held for sale	0
8	Heritage assets	25
1,401	Revenue Expenditure Funded from Capital under Statute	3,484
41,684	Total Capital Expenditure	48,131

12.10 Capital Commitments

At 31st March 2018, the Authority has entered into major contracts (i.e. those individually above £200,000) for the construction of Property, Plant and Equipment in 2018/19 and later years budgeted to cost £20,743,000 (£14,168,000 at 31st March 2017).

12.11 Financing Capital Expenditure

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

2016/17 £000		2017/18 £000
2,400	Supported Borrowing	2,401
21,391	Unsupported Borrowing	13,043
1,461	General Capital Grant	1,462
11,877	Capital grants and contributions	12,913
2,949	Council Fund Capital Receipts	17,246
0	Low Cost Home ownership receipts	78
	Revenue Contribution:	
784	Earmarked Reserves	172
110	Council Fund	92
713	S106 contributions	723
41,684		48,131

12.12 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".

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 had the effect of reducing the MRP charge required in 2017/18 and later years.

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

The amount of revenue provision made by the Authority in 2017/18 was £3,895,000 (£3,278,000 in 2016/17).

12.13 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 £582,000 of minimum lease payments were receivable by the Authority (£568,000 in 2016/17).

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

2016/17 £000		2017/18 £000
441	Not later than one year	533
1,071	Later than one year and not later than five years	1,022
3,200	Later than five years	2,404
4,712		3,959

Finance Leases

In 2016/17, the Authority entered into a Finance lease arrangement with Optimisation Developments Ltd for land at the Old Cattle market in Abergavenny.

The gross carrying amount and present value of the minimum lease payments receivable under this finance lease is detailed below.

2016/17			2017/18	
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	
160	160	Not later than one year	157	160
640	640	Later than one year and not later than five years	593	640
3,200	3,200	Later than five years	2,193	3,040
4,000	4,000		2,943	3,840

The present value of the minimum lease payments has been reduced during 2017/18 by the £160,000 receivable, the first lease payment and also by introducing a discount factor of 2.26% determined from the value of the leased asset.

12.14 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 £342,000 (£386,000 in 2016/17).

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

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2016/17 £000		2017/18 £000
225	Not later than one year	219
390	Later than one year and not later than five years	292
68	Later than five years	117
683		629

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 2018:

Long-Term 31st March 2017 £000	Short-Term 31st March 2017 £000		Note	Long-Term 31st March 2018 £000	Short-Term 31st March 2018 £000
		Investments			
0	0	Loans & receivables	13.4	0	10,038
40	0	Unquoted equity investments	13.4	40	0
0	6,498	Cash & cash equivalents	15.3	0	7,354
40	6,498	Total Investments		40	17,391
		Debtors			
4,240	19,937	Receivables	13.5	3,144	21,854
4,240	19,937	Total Debtors		3,144	21,854
		Borrowings			
(69,682)	(20,267)	Financial liabilities at amortised cost	13.4	(74,912)	(54,958)
0	(30)	Cash & cash equivalents	15.3	0	(774)
(69,682)	(20,297)	Total Borrowings		(74,912)	(55,732)
		Other Long Term Liabilities			
(803)	0	PFI and finance lease liabilities		(771)	0
(952)	0	Other Long Term Liabilities		(974)	0
(1,755)	0	Total Other Long Term Liabilities		(1,744)	0
		Creditors			
0	(28,437)	Payables	13.6	0	(31,980)
0	(28,437)	Total Creditors		0	(31,980)

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:

2016/17 £000		2017/18 £000
	Financial Liabilities measured at amortised cost:	
2,904	Interest payable on external debt	2,944
(9)	Debt reimbursement from third parties	(12)
5	Interest payable to trust funds	2
22	Interest payable on finance leases	21
2,922	Total Interest payable and similar charges	2,955
	Financial assets - loans and receivables:	
(70)	Interest income	(31)
0	Interest income accrued on impaired financial assets	0

0	Interest income relating to Finance lease debtors	(102)
0	Investment Losses / (Gains)	0
(20)	Other interest and investment income	(24)
(90)	Total Interest Income	(157)
2,832	Net (gain)/loss for the year	2,798

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 31st March 2017 £000	Fair Value 31st March 2017 £000		Carrying Amount 31st March 2018 £000	Fair Value 31st March 2018 £000
(89,949)	(114,134)	Financial liabilities at amortised cost	(129,870)	(150,098)

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 such as interest rates
- Inflation risk – the possibility that the interest earned on investments does not fully offset inflationary pressures

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 2018.

The £10,038,000 of Investments held by the Authority at the 31st March 2018 is broken down as below.

Counterparty Group	£'000	Average Credit rating	Country	Average Duration (days)	Investment Vehicle
UK Government	10,038	AA	United Kingdom	8	Term Deposit with DMADF

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 2017 £000		31st March 2018 £000
52,223	Public Works Loan Board	52,415
13,818	Market Loans & Bank loans	14,816
4,973	Welsh Government	5,210
18,935	Local Government bodies	47,891
0	Special Purpose Vehicle	4,538
0	Universities	5,000
89,949	Total	129,870
	The Loans Mature as follows:-	
20,267	Less than one year	54,958
1,537	Between one and two years	2,271
24,027	Between two and five years	29,563
9,860	Between five and ten years	10,273
34,257	More than ten years	32,805
89,949	Total	129,870

The financial liabilities due to Welsh Government at the 31st March 2018 are the outstanding balances totalling £1,162,000 from interest free loans provided to fund energy saving Street Lighting capital schemes and £4,048,000 from a loan which funded the Oak Grove solar farm construction. Accounting requirements require financial liabilities in the form of loans to be carried at amortised cost. However, some of 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 borrowing liabilities 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 2018 (£nil at 31st March 2017).

The Authority has a number of strategies for managing interest rate risk. The 2018/19 Treasury strategy includes monetary limits for net variable Interest rate exposure, which is the 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 2018, 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 £9,093,000 (£9,231,000 reduction in 2016/17).
- 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 2018, 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:

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31st March 2017					31st March 2018			
Long Term £000	Short Term £000	Impairment £000	Net £000		Long Term £000	Short Term £000	Impairment £000	Net £000
				Central Government Bodies:				
0	4,958	0	4,958	Welsh Government	0	5,835	0	5,835
0	2,376	0	2,376	HM Customs & Excise	0	2,013	0	2,013
0	1,265	0	1,265	NNDR Debtor	0	934	0	934
0	0	0	0	Council Tax and Housing Benefit Subsidy	0	56	0	56
0	8	0	8	Other	0	54	0	54
				Other entities and individuals:				
0	4,128	46	4,174	Other Local Authorities	0	4,746	(115)	4,631
4,000	0	0	4,000	Deferred Capital receipts	2,928	0	0	2,928
0	2,500	(62)	2,438	Revenue debtors	0	2,461	(59)	2,402
0	2,481	(1,798)	683	Council tax arrears	0	2,434	(1,729)	705
0	1,464	(260)	1,204	Corporate sundry debtors	0	1,394	(205)	1,189
0	1,333	(582)	751	Housing benefit overpayments	0	1,394	(566)	828
0	1,313	(13)	1,300	NHS Bodies	0	998	(12)	986
0	626	(110)	517	Social Services debtors	0	647	(120)	527
0	215	(168)	47	Rent arrears	0	222	(197)	25
0	216	0	216	Capital debtors	0	1,669	0	1,669
214	0	0	214	Housing Advances	211	0	0	211
26	0	0	26	Other	5	0	0	5
4,240	22,883	(2,946)	24,177	Total Debtors	3,144	24,857	(3,003)	24,998

The aged analysis of the debtors outstanding as at 31st March 2018 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	5,835	0	0	0	0	5,835
HM Customs & Excise	2,013	0	0	0	0	2,013
NNDR Debtor	333	0	0	76	525	934
Council Tax and Housing Benefit Subsidy	56	0	0	0	0	56
Other	54	0	0	0	0	54
Other entities and individuals:						
Other Local Authorities	2,901	1,527	306	12	0	4,746
Deferred Capital receipts	0	0	160	160	2,608	2,928
Revenue debtors	2,461	0	0	0	0	2,461
Council tax arrears	0	0	0	1,082	1,352	2,434
Corporate sundry debtors	651	239	177	137	190	1,394
Housing benefit overpayments	100	183	340	199	572	1,394
NHS Bodies	783	153	21	41	0	998
Social Services sundry debtors	133	83	208	147	76	647
Capital debtors	1,669	0	0	0	0	1,669
Rent arrears	14	4	18	31	154	222
Housing Advances	0	0	0	0	211	211
Other	0	0	0	0	5	5
Total	17,003	2,190	1,230	1,885	5,693	28,001

The associated impairment for potential default and uncollectability for debtors outstanding as at 31st March 2018 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)	(97)	(17)	0	(115)
NHS Bodies	0	(11)	0	(1)	0	(12)
Revenue debtors	0	0	(23)	(14)	(22)	(59)
Council Tax Arrears	0	0	0	(837)	(892)	(1,729)
Social Services sundry debtors	(3)	(7)	(24)	(35)	(51)	(120)
Corporate sundry debtors	0	(6)	(51)	(33)	(115)	(205)
Rent arrears	0	(2)	(9)	(31)	(155)	(197)
Housing benefit overpayments	0	0	(96)	(56)	(414)	(566)
Total	(3)	(27)	(300)	(1,024)	(1,649)	(3,003)

13.6 Creditors

It is the Authority's policy to pay creditors promptly, without undue delay and within mutually agreed terms. 95% of payments were paid within a 30 day target settlement date (97% in 2016/17).

The nature and value of payments due to be made by the Council in the year but not actually made as at 31st March 2018 is summarised below:

31st March 2017 £000		31st March 2018 £000
6,370	Central Government Bodies	6,021
5,309	Other Local Authorities	4,064
557	NHS Bodies	372
4,114	Capital Creditors	6,520
12,087	Other entities & individuals	15,003
28,437	Total	31,980

13.7 Provisions and Contingent Liabilities

The value of provisions as at 31st March 2018, together with their movement for the year, is summarised below:

	Note	As at 1st April 2017 £000	Additional Provisions Made £000	Amounts Used £000	Unused Amounts Reversed £000	As at 31st March 2018 £000
Insurance Claims	13.8a	675	498	(120)	(314)	739
Insurance Claims - MMI	13.8b	31	0	0	0	31
Accumulating Compensated Absences	13.8c	3,245	3,601	(3,245)	0	3,601
Total		3,951	4,099	(3,365)	(314)	4,371

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 2017 £000	Long Term 31st March 2017 £000		Current 31st March 2018 £000	Long Term 31st March 2018 £000
338	338	Insurance Claims	370	370
16	16	Insurance Claims - MMI	16	16
3,245	0	Accumulating Compensated Absences	3,601	0
3,598	353	Total	3,986	385

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 2018. 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 2018 was 739,000 (£675,000 at 31st March 2017) and the balance on the insurance and risk management reserve as at 31st March 2018 was £1,016,000 (£1,053,000 as at 31st March 2017). 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 2018 was 234 (181 open claims as at 31st March 2017).

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

2016/17 £000		2017/18 £000
292	Public Liability	467
383	Employer's Liability	272
0	Property	0
675	Total	739

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 2018, 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 2018 was £3,601,269 (£3,244,863 at 31st March 2017).

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. 5 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 £6.360 million as updated by RPI (£6.184 million as at 31st March 2017) , 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 2018) is £87,694 (previously £73,572 for the period 21st January 2008 to 31st March 2017).

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 & outstanding	Repayment to WG	Total
	£000s	£000s	£000s	£000s	£000s
Home Improvement Loans	1,250	10	(64)	(1,159)	37
Vibrant and Viable Places Loans	621	3	(46)	0	578
Total	1,871	13	(110)	(1,159)	615

The gross amount owed to Welsh Government is £727,000. The Loan amounts not yet repaid by Loan recipients to Monmouthshire County Council is £109,000. The net Agency creditor is £618,000 and this 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 the fair value of its future pension liabilities relating to past employee service, 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 liability is £347,312 million as at the 31 March 2017 (£271,873 million at 31 March 2016). 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).

The Authority's payments relating to 2017/18 totalled £3,896,000 (£3,916,000 in 2016/17) to the scheme in respect of teachers' retirement benefits, representing 16.48% of teachers' pensionable pay (16.48% for 2016/17).

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 £321,000 of contributions remaining payable to the scheme at the year end (£324,000 at 31st March 2017).

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 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. Pension benefits accrued up until March 2014, based on pensions of a percentage of final salary. Benefits since that time have accrued on an average salary basis.
- 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 2018 is split as follows:

2016/17			2017/18	
£000's	%		£000's	%
243,098	46%	Active	264,329	49%
94,898	18%	Deferred	94,558	18%
188,068	36%	Pensioners	180,785	33%
526,064	100%	Total	539,672	100%

A breakdown of the investments held by the Greater Gwent pension fund, quoted and unquoted is given in 14.7 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
2016/17 £000's	2016/17 £000's		2017/18 £000's	2017/18 £000's
		Comprehensive Income and Expenditure Account		
		Net Cost of Services:		
11,106	0	current service cost	19,610	0
77	0	past service cost / (gain) including curtailments	199	0
0	0	settlement gain	0	0
11,183	0	Total Net Cost of Services	19,809	0
		Financing and Investment Income and Expenditure:		
15,286	199	interest cost on pension liabilities	13,930	135
(8,894)	0	interest income on plan assets	(8,306)	0
0	0	Impact of asset ceiling on net interest	0	0
17,575	199	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	25,433	135
		Other Comprehensive Income and Expenditure:		
22,200	-212	(Gains) and losses on remeasurement	(14,212)	(19)
0	0	Effect of business combinations and disposals	0	0
22,200	(212)	Total Other Comprehensive Income and Expenditure	(14,212)	(19)
39,775	(13)	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	11,221	116
		Movement in Reserves Statement		
(17,575)	(199)	reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits	(25,433)	(135)
		Actual amount charged against the Council Fund for pensions in the year:		
10,270	481	employers' contributions payable to scheme	10,465	463

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 2019 is £10,221,000. Expected contributions for Teachers Unfunded Discretionary Benefits scheme in the year to 31 March 2019 are £477,000.

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 2018	31st March 2017	31st March 2016	31st March 2018	31st March 2017	31st March 2016
Rate of increase in salaries	2.8%	2.8%	3.7%	-	-	-
Rate of increase in pensions (inline with CPI)	2.4%	2.4%	2.2%	2.4%	2.4%	2.2%
Rate for discounting scheme liabilities	2.7%	2.6%	3.5%	2.7%	2.6%	3.5%
Life Expectancy:						
Current male pensioner aged 65 (years)	21.5	21.5	23.0	21.5	21.5	23.0
Current female pensioner aged 65 (years)	23.9	23.9	25.4	23.9	23.9	25.4
Future male pensioner aged 65 in 20 years' time (years)	23.6	23.6	25.2	-	-	-
Future female pensioner aged 65 in 20 years' time (years)	26.1	26.1	27.8	-	-	-

The discount rate used to value fund liabilities is based on market yields on high quality corporate bonds over appropriate terms. To facilitate this, Hymans Robertson produce a corporate bond yield curve based on the constituents of 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 2018	Approximate % increase to Employer	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	10%	55,492
0.5% increase in the Salary Increase Rate	2%	9,014
0.5% increase in the Pension Increase Rate	8%	45,694

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 2017		Category	Quoted in Active markets	31st March 2018	
£000	%			£000	%
60,314	18.9%	Equities	Yes	62,097	18.7%
		Investment funds & Unit Trusts			
184,311	57.7%	Equities	No	191,298	57.6%
56,545	17.7%	Bonds	No	53,817	16.2%
8,467	2.7%	Other	No	13,975	4.2%
8,113	2.5%	Property	No	8,015	2.4%
1,582	0.5%	Cash accounts	No	2,710	0.8%
0	0.0%	Alternatives	No	0	0.0%
319,332	100.0%	Total		331,910	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
2016/17 £000	2016/17 £000		2017/18 £000	2017/18 £000
254,271	0	As at 1st April	319,333	0
0	0	Settlement costs	0	0
8,894	0	Interest on plan assets	8,306	0
10,270	481	Employers contributions	10,465	463
2,836	0	Contributions by scheme participants	2,937	0
56,125	0	Gains / (losses) on remeasurement of assets	3,536	0
0	0	Administration expenses of plan assets	0	0
(13,063)	(481)	Benefits paid	(12,667)	(463)
319,333	0	As at 31st March	331,910	0
The Movement in Fund Liability				
(436,585)	(5,911)	As at 1st April	(531,153)	(5,417)
(11,106)	0	Current service cost	(19,610)	0
(77)	0	Past service (cost) / gain (including curtailments)	(199)	0
0	0	Settlement gains	0	0
0	0	Curtailment costs	0	0
(15,286)	(199)	Interest on pension liabilities	(13,930)	(135)
(2,836)	0	Contributions by scheme participants	(2,937)	0
(78,326)	212	Gains / (losses) on remeasurement of liabs	10,676	19
13,063	481	Benefits paid	12,667	463
0	-	Effect of business combinations & disposals	0	-
(531,153)	(5,417)	As at 31st March	(544,486)	(5,070)

There were £1,106,000 of contributions remaining payable at the year end for the Local Government Pension Scheme (at 31 March 2017 £1,039,000 was payable) and £5,000 was owed to the Authority for the Teachers unfunded discretionary benefits scheme (£1,000 at 31 March 2017).

Of the £544,000,000 of pension liabilities for the Local Government Pension Scheme at 31 March 2018, there are £4,813,000 of unfunded liabilities (£5,088,000 as at 31st March 2017). £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:					
	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Local Government Pension Scheme					
Present value of scheme liabilities	(349,554)	(422,166)	(436,585)	(531,153)	(544,485)
Fair value of scheme assets	232,758	259,755	254,271	319,333	331,910
Surplus / (deficit) in the scheme	(116,796)	(162,411)	(182,314)	(211,820)	(212,575)
Teachers Unfunded Discretionary Benefits					
Present value of scheme liabilities	(5,082)	(5,003)	(5,911)	(5,417)	(5,070)
Fair value of scheme assets	0	0	0	0	0
Surplus / (deficit) in the scheme	(5,082)	(5,003)	(5,911)	(5,417)	(5,070)
Total					
Present value of scheme liabilities	(354,636)	(427,169)	(442,496)	(536,569)	(549,555)
Fair value of scheme assets	232,758	259,755	254,271	319,333	331,910
Surplus / (deficit) in the scheme	(121,878)	(167,414)	(188,225)	(217,236)	(217,645)
Year on year increase in net liability (or deficit)					(409)

There is a small increase in combined net liability of £409,000 from 1 April 2017 to 31 March 2018 resulting from several large movements not fully offsetting. The net liability increased due to Current & Past service costs being £8.9m higher than contributions paid in year and also due to the impact of the interest cost incurred on the scheme liabilities £14.1m. The net liability reduced due to £8.3m of Interest being earned from invested assets and due to the scheme assets & liabilities both being remeasured beneficially by a total of £14.2m. The high Current Service cost was as a result of the discount rate at the start of the year reducing which increases the present value of funding future pension payments.

15 NOTES TO THE CASH FLOW STATEMENT

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

2016/17 (Restated) £000		2017/18 £000
2,424	Net (surplus) or deficit on the provision of services	17,210
	Non-cash transactions:	
(11,864)	Depreciation of non-current assets	(10,915)
(141)	Impairment and downward valuations	(4,287)
(153)	Amortisation of intangible non-current assets	(160)
234	Increase/decrease in impairment for provision for bad debts	(67)
(64)	Increase/(decrease) in inventories	(108)
9,629	Increase/(decrease) in debtors	797
(1,255)	(Increase)/decrease in creditors	361
(1,695)	(Increase)/decrease in provisions	(420)
(7,023)	Pension liability	(14,640)
(17,367)	Carrying amount of non-current assets, assets held for sale and investment properties which are sold or derecognised	(941)
133	Movement in the value of investment properties	(1,982)
	Items classified in another classification in the cash flow statement	
(781)	Other payments for investing activities	(2,854)
13,431	Other receipts from investing activities	6,352
0	Other payments for financing activities	(31)
16,677	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2,784
2,186	Net cash flows from Operating Activities	(8,902)

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:

2016/17 £000		2017/18 £000
	Returns on Investments received:	
(72)	Interest received	(155)
(19)	Other interest and investment income	(24)
	Servicing of Finance paid:	
3,029	Interest paid	2,624
22	Interest element of finance lease rental payments	21
2,960		2,466

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 2017	In Year Movement	At 31st March 2018
	£000	£000	£000
Current Assets			
Cash held by the Authority	221	98	319
Bank current accounts	1,820	(1,820)	0
Short-term call account deposits	4,457	2,578	7,035
Current Liabilities			
Bank current account overdrafts	(30)	(744)	(774)
Total	6,468	112	6,580

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:

2016/17 £000		2017/18 £000
578	Basic allowance	575
182	Special responsibility allowance	197
36	Travel allowance	28
4	Subsistence allowance	3
800	Total	803

16.2 Audit Costs

The Authority has incurred the following costs during 2017/18 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:

2016/17 £000		2017/18 £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
50	Fees payable to the appointed auditor for certification of grant claims & returns	55
329	Total	334

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 had previously entered into a pooled budget arrangement with the Aneurin Bevan Local Health Board for the provision of a Rehabilitation Scheme at Mardy Park which came into effect from the 1st April 2004, with the Authority being host for the partnership.

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

During the 2017/18 financial year the previous Mardy Park agreement has been revisited and redrafted to incorporate the service redesign undertaken. The site at Mardy Park has undergone significant redesign within the past year to accommodate ever changing service demands and provide an integrated Health and Social Care hub within North Abergavenny. Mardy Park now offers a multi-functional facility to allow for a more reactive based centre, providing high quality rehabilitation, respite and reablement to offer rapid hospital discharge, freeing up pressure on Delayed Transfers of Care and early hospital discharge. The site offers a facility to host a number of clinics to the community.

The agreement states that, if at the end of any financial year or upon termination of the Agreement there is an 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 the circumstances of and reasons for the overspend.

The income and expenditure for the pooled fund arrangements for the financial year ended 31st March 2018 was:

2016/17 £000		2017/18 £000
	Funding	
(209)	Monmouthshire County Council	(258)
(157)	Monmouthshire Local Health Board	(177)
(366)	Total Funding	(435)
	Expenditure	
235	Employee related	303
46	Premises related	85
0	Transport related	1
21	Supplies & Services	37
46	Agency & Contracted	94
15	Central and Support services recharges	0
15	Capital Financing	0
378	Total Expenditure	520
12	Net (Under)/over spend	85

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 £3,295,000 (£3,216,000 for 2016/17) and gross income of £3,295,000 (£3,216,000 for 2016/17) for the financial year ended 31st March 2018. Monmouthshire County Council's contribution for the year was £307,000 (£286,000 for 2016/17).

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

The Authority has entered into a pooled budget arrangement with the Aneurin Bevan University 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 12.4 to the accounts.

Aneurin Bevan University Health Board is the host for the Partnership, who recorded gross expenditure of £3,433,000 (£3,317,000 for 2016/17) and gross income of £3,312,000 (£3,253,000 for 2016/17) for the financial year ended 31st March 2018. Monmouthshire County Council's total contribution for the year was £1,022,000 (£989,000 for 2016/17).

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 £15,484,000 (£14,982,000 for 2016/17) and gross income of £15,467,000 (£15,438,000 for 2016/17) for the financial year ended 31st March 2018. Monmouthshire County Council's total contribution for the year was £1,286,000 (£1,291,000 for 2016/17).

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 11.7 and 11.8 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 2017/18 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, Chief Officer for Resources, Head of People Services & Information Governance have no pecuniary interests.

The Chief Executive was the Acting Returning Officer and Electoral Registration Officer for Monmouthshire during 2017/18 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
- Honorary Visiting Professor, University of Cardiff

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

- Chair of the Innovation Advisory Council for Wales

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

- Independent Member of Aneurin Bevan Unitary Health Board

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:

2016/17 Debtors £000	2016/17 Creditors £000		2017/18 Debtors £000	2017/18 Creditors £000
0	194	Dragon Waste Limited	0	128

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

2016/17 Payments £000	2016/17 Receipts £000		2017/18 Payments £000	2017/18 Receipts £000
1,383	36	Dragon Waste Limited	2,354	36

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 2018:

	Income £000	Expend £000	Assets £000	Liabilities £000
Welsh Church Act Fund	(207)	192	5,631	(145)
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	(4)	3	93	(25)
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	(5)	5	2	(2)
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	(27)	30	724	(2)
Appointeeship - Personal Monies	(1,896)	1,971	930	(1,005)
Appointeeship - Independent Living Fund Monies	(286)	274	62	(50)

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 of 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 2017 £000 Final	31st March 2018 £000 Draft

47	Net Assets/(Liabilities)	(44)
(87)	Profit/(Loss) before Taxation	(111)
(64)	Profit/(Loss) after Taxation	(91)
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 £2,353,677 were made to Dragon Waste Limited during 2017/18 (£1,378,740 during 2016/17).

The Authority owed £128,313 to Dragon Waste Limited at the 31st March 2018 (£194,383 owed to Dragon Waste as at 31st March 2017) 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, Newport City Council and Blaenau Gwent Borough Council 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 payments to SRS amounted to £3.795m in 2017/18, with the Council's core contribution totalling £2.11 million.

SRS activities for 2017/18 involved a combined gross expenditure budget of £15.1 million.

The Authority owed £149,626 to SRS Public at the 31st March 2018 (£44,526 owed as at 31st March 2017).

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 2018.

31st March 2017		31st March 2018
£000 (Restated)		£000 Draft
104	Net Assets/(Liabilities)	121
20	Profit/(Loss) before Taxation	20
16	Profit/(Loss) after Taxation	16
0	Dividends	0

There were no transactions between Monmouthshire County Council and SRS (BS) during 2017/18 (nil in 2016/17).

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.

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 2017.

The company is exempt from audit under section 477 of the companies act 2006 for the financial year ending September 2017.

30th Sept 2016		30th Sept 2017
Final		£000 Draft
262	Total Assets/(Liabilities)	288
75	Profit/(Loss) before Taxation	32
60	Profit/(Loss) after Taxation	26
0	Dividends	0

There were no transactions between Monmouthshire County Council and Y Prentis during 2017/18 (nil in 2016/17).

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 2018.

31st March 2017		31st March 2018
£000 Final		£000 Draft
308	Total Assets/(Liabilities)	210
105	Profit/(Loss) before Taxation	(104)
105	Profit/(Loss) after Taxation	(104)
0	Dividends	0

Payments of £502,877 were made to the EAS during 2017/18 (£589,189 during 2016/17).

There were no balances owing to/from the EAS at 31st March 2018 (nil at 31st March 2017).

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 2018.

31st March 2017		31st March 2018
£000 Final		£000 Draft
293	Total Assets/(Liabilities)	287
49	Profit/(Loss) before Taxation	(6)
49	Profit/(Loss) after Taxation	(6)
0	Dividends	0

Payments of £182,244 were made to Gwent Archives during 2017/18 (£182,244 during 2016/17).

There were no balances owing to/from Gwent Archives at 31st March 2018 (nil at 31st March 2017).

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 2018.

31st March 2017		31st March 2018
£000 (Restated)		£000 Draft
2,590	Total Assets/(Liabilities)	3,241
487	Profit/(Loss) before Taxation	598
487	Profit/(Loss) after Taxation	598
0	Dividends	0

Payments of £138,375 were received from Gwent Crematorium during 2017/18 (£138,375 during 2016/17).

There were no balances owing to/from Gwent Crematorium at 31st March 2018 (nil at 31st March 2017).

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 2018.

31st March 2017		31st March 2018
£000 Final		£000 Draft
328	Total Assets/(Liabilities)	343
24	Profit/(Loss) before Taxation	15
24	Profit/(Loss) after Taxation	15
0	Dividends	0

Payments of £32,000 were made to Project Gwyrdd during 2017/18 (£32,000 during 2016/17).

There were no balances owing to/from Project Gwyrdd at 31st March 2018 (nil at 31st March 2017).

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.

As part of the original January 2017 report certain matters were reserved to the constituent Councils and the most significant was in respect of the business plan. This was approved by all Councils in March 2018. The Cardiff Capital Region City Deal made its first investment during 2017/18 and Monmouthshire's contribution was £1,487,240 and was paid on 29 March 2018 to the Accountable Body.

CSC Foundry

During 2017/18 MCC had 'Significant Influence' over CSC Foundry Ltd which is a subsidiary of CCRCD. As at 31st March 2018 CSC Foundry had £4.5m invested with the Authority which is classified within Short term borrowing in the Balance sheet.

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.

For 2017/18 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 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).

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 2018						
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	112,211	0	0	112,211	23,676	135,888
Chief Officer - Children and Young People	79,581	0	0	79,581	16,792	96,373
Chief Officer - Enterprise	89,783	0	0	89,783	18,596	108,378
Chief Officer - Social Care and Health	82,408	0	0	82,408	17,388	99,796
Chief Officer - Resources	80,103	0	0	80,103	16,131	96,234
Head of Operations	62,363	0	0	62,363	13,159	75,521
Head of Finance and Section 151 Officer	72,107	0	0	72,107	15,215	87,322
Head of People	69,818	0	0	69,818	14,732	84,550
Monitoring Officer, (Head of Legal Services)	72,107	0	0	72,107	15,215	87,322
Total	720,480	0	0	720,480	150,902	871,382

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

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 of 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 2016/17). Expense allowances are defined as those additional costs that are chargeable to income tax and no such costs are reported in respect of 2017/18 (Nil in 2016/17).

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 2017/18, the median employee position has been calculated as £21,962, equating to spinal point 24 and resulting in a median ratio when compared with the Chief Executive Officer salary of 5.11:1

In 2016/17, the median employee position was 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

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 2018, was:

2016/17		Remuneration Band	2017/18	
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
2	1	£105,000 - £109,999	3	3
2	1	£100,000 - £104,999	0	0
0	0	£95,000 - £99,999	1	0
0	0	£90,000 - £94,999	0	0
2	1	£85,000 - £89,999	3	2
4	2	£80,000 - £84,999	4	1
1	1	£75,000 - £79,999	2	1
9	3	£70,000 - £74,999	7	4
10	6	£65,000 - £69,999	12	7
8	5	£60,000 - £64,999	10	6
39	20	Total	43	24

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 2016/17) and 16.4% of pensionable pay for staff within the Teachers' Pension Scheme (16.4% in 2016/17).

For the purposes of reporting remuneration, voluntary aided schools' employees have been included in the remuneration notes 16.8 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.

2016/17			Exit package Cost band	2017/18		
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
38	3	331	£0 - £20,000	35	4	370
11	3	391	£20,001 - £40,000	14	1	473
1	0	43	£40,001 - £60,000	3	0	130
0	1	65	£60,001 - £80,000	0	1	80
0	0	0	£80,001 - £100,000	1	0	81
1	0	119	£100,001 - £150,000	0	0	0
51	7	949	Total	53	6	1,134

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 2017/18 financial year and its position at the year-end of 31st March 2018.

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 2017/18 and the Service Reporting Code of Practice 2017/18, 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. They are prepared on a going concern basis.

17.2 Accounting Standards issued not yet adopted

The Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The main new or amended standards within the 2018/19 Code are IFRS 9 and IFRS 15, but they are not expected to have a material impact on the information provided in the 2017/18 and 2018/19 financial statements, and transitional reporting arrangements mean that restatement of the 2017/8 accounts will not be required. However, the following information is provided as background:

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes a single classification approach for financial assets, and a forward looking 'expected loss' model for impairment rather than the 'incurred loss' model under IAS 39.

IFRS 15 establishes a new comprehensive framework for revenue recognition and replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 changes the basis for deciding whether revenue is recognised at a point in time or over a period of time and introduces five steps for revenue recognition, but as the Council has relatively predictable income streams the impact will be minimal.

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.
- A discretionary de minimis level of £1,000 is applied to accruals of both income and expenditure with the exception of automatically system generated accruals or those required where it is necessary to ensure accuracy for grant claims or agency work.

17.4 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on the next banking day. Cash equivalents are investments that are readily convertible on the next banking day 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 2017/18 was 24% (16% for 2016/17).

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 2018 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 31st March 2018. 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 2018 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 31st March 2018, the Authority had a balance of £7.03m (£7.38m as at 31st March 2017) 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 £2.82m (£2.92m as at 31st March 2017) 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.

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. Assets of less than £10,000 Current value, the de minimus for capitalisation of Fixed assets, will not be treated as Finance leases.

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 no longer charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Code of Practice. The Statements of Accounts are now presented in the same way as the management reporting structure of the Council, so overheads are now reported in the budget areas where they are managed.

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: 2017-18

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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 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 (the Council) at 31 March 2018 and its income and expenditure for the year then ended.
- 2 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.
- 3 The quantitative level at which we judge such misstatements to be material for the Council are £2.88 million for income and expenditure items, working capital and other balances. 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.
- 4 International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action, where necessary.
- 5 This report sets out for consideration the matters arising from the audit of the financial statements of the Council for 2017-18 that require reporting under ISA 260.

Status of the audit

- 6 We received the draft financial statements for the year ended 31 March 2018 on 4 June 2018 which was in line with the agreed deadline, and we have now substantially completed our audit work.
- 7 We are reporting to you the 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 the Head of Finance and Assistant Head of Finance.

Proposed audit report

- 8 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](#).
- 9 The proposed audit report is set out in [Appendix 2](#).

Significant issues arising from the audit

Uncorrected misstatements

- 10 We set out below the misstatements we identified in the financial statements, which have been discussed with management but remain uncorrected, and request that these are corrected. If you decide not to correct these misstatements, we ask that you provide us with the reasons for non-correction.
- a. Accrued income and deferred income overstated by £1,372,006**

For internal monitoring purposes the accountant responsible had tried to split (via journal postings) the income from Welsh Government over two ongoing projects to reflect their year-end positions. These postings resulted in an overstatement of both accrued income (Debtors) and deferred income (Creditors). However, there was no impact on income per the Comprehensive Income and Expenditure Statement (CIES). The impact on the financial statements is that Short-term Creditors and Short-term Debtors is overstated by £1,372,006.
 - b. Termination Benefits understated by £15,000**

During testing of termination benefits we identified a commitment to terminate the employment for one individual, which was not included in the accounts. The impact on the financial statements is that both Accruals and Termination Costs (included in Employee Benefit Expenses) are understated by £15,000.
 - c. Property, Plant and Equipment overstated by £1,020,000**

During testing of Property, Plant and Equipment (PPE) we identified one asset (Monmouthshire Leisure Centre) that was under reconstruction and was not considered for an impairment review at year-end. The Authority has capitalised all the costs for the renovation under Assets Under Construction but had not undertaken an impairment of the 'old' leisure centre that was included in Land and Buildings. The impact on the financial statements is that Property, Plant and Equipment is overstated by £1,020,000 and the Revaluation Reserve/Surplus on revaluation of PPE Assets in the CIES is overstated by £1,020,000.
 - d. Grant income and expenditure understated by £343,825**

During income cut-off testing, we identified one 2017-18 bank receipt (from Welsh Government) for the Schools Maintenance Revenue Grant that was not recognised in grant income. Instead, an incorrect posting/journal had reduced both income and expenditure. The impact on the financial statements is that both Cost of Services Income (Grant Income) and Cost Services Expenditure are understated by £343,825.

Corrected misstatements

- 11 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

- 12 During 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 no significant issues arising in these areas this year:
- **We have no concerns about the qualitative aspects of your accounting practices and financial reporting.** As referred to above, the draft Annual Accounts were provided to us on 4 June 2018 and we found the information provided to be relevant, reliable, comparable and easy to understand. We concluded that accounting policies and estimates are appropriate and financial statement disclosures unbiased, fair and clear. However, the statements included a significant number of rounding errors (as reported in last year's ISA 260). We have recommended that these are adjusted for, but Management has decided not to adjust for these.
 - **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. We met with the Finance Team regularly during the final audit to review progress and clear any issues arising promptly. The working papers provided were of a good standard. However, further improvements could be made. Following completion of last year's audit we agreed a 'Schedule of Deliverables' with the finance team in order to ensure that appropriate working papers were available to us at the commencement of the audit. Unfortunately not all of these papers were presented to us with the draft financial statements, which resulted in having to request them again. We will continue to work with the Finance team to see if the audit process can be developed and refined further.
 - **There was one significant matter discussed and corresponded upon with management which we need to report to you.** We noted that the Council is failing to 'de-recognise' existing infrastructure assets when these assets are replaced or where improvements are made. This is because the Council is unable to identify the individual assets, due to insufficient detail being contained in the asset register. Going forward, improvements are needed to the process and the description of assets within the fixed assets register, to ensure that infrastructure assets are more clearly identifiable and can be 'de-recognised'. We are comfortable that the net book value of the assets included in the accounts at 31 March 2018 is not materially misstated.

- **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

- 13 As part of the finalisation process, we are required to provide you with representations concerning our independence.
- 14 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 County that we consider to bear on our objectivity and independence.

Appendix 1

Final Letter of Representation

Auditor General for Wales

Wales Audit Office

24 Cathedral Road

Cardiff

CF11 9LJ

3 July 2018

Representations regarding the 2017-18 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 2018 for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure.

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:

- Preparing the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18; in particular the financial statements give a true and fair view in accordance therewith:
 - including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
 - make judgements and estimates on a reasonable basis;
 - state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and
 - prepare them on a going concern basis on the presumption that the services of Monmouthshire County Council will continue in operation.
- Ensuring the regularity of any expenditure and other transactions incurred.
- The design, implementation and maintenance of internal control to prevent and detect 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 the 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.
- Our knowledge of all possible and actual instances of irregular transactions.

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.

Additional Disclosure (suggested wording) – Included within the Fixed Asset balances are a number of Heritage Assets, each with a value of £1. We are satisfied that an appropriate method of valuation has been used to establish these values and the individual assets are not materially misstated.

Representations by the Audit and Risk Assurance Committee

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 20 September 2018.

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.

P Matthews
Chief Executive
20 September 2018

P Fox
Council Leader
20 September 2018

Appendix 2

Proposed audit report of the Auditor General

The independent auditor's report of the Auditor General for Wales to the members of Monmouthshire County Council

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Monmouthshire County Council for the year ended 31 March 2018 under the Public Audit (Wales) Act 2004.

Monmouthshire County Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

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 [year] based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial position of Monmouthshire County Council as at 31 March 2018 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Council's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The responsible financial officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements 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.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with guidance.

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 financial statements are not in agreement with the accounting records and returns;
- the governance statement contains material misstatements of fact or is inconsistent with other information I am aware of from my audit; or
- I have not received all the information and explanations I require for 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 Auditor General for Wales' Code of Audit Practice.

Anthony J Barrett
For and on behalf of the Auditor General for Wales
September 2018

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 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.

Exhibit 1: summary of corrections made to the draft financial statements

Value of correction	Nature of correction	Reason for correction
£6,886,100	<p>Comprehensive Income & Expenditure Statement (CIES) Children & Young People Gross Expenditure decreased by £6,886,100. Surplus on revaluation of Property Plant and Equipment Assets decreased by £6,886,100.</p> <p>Unusable Reserves Revaluation Reserve decreased by £6,886,100. Capital Adjustment Account increased by £6,886,100.</p>	The revaluation of Caldicot Comprehensive School has been treated in the financial statements as two separate valuations, when it should have been treated as one (single asset). This resulted in an impairment of the old school asset debited to the CIES and an upwards revaluation of the new school asset credited to the Revaluation Reserve. The Authority should have recorded the net movement as it is a single asset.
£629,000	<p>Note 12.10 Capital Commitments Capital commitments was decreased by £629,000.</p>	The capital commitments regarding Monmouthshire Comprehensive School, incorrectly included a commitment to phase 1 and 2 of the rebuild, which had been completed in year.
Presentational	<p>Note 13.1 – Categories of Financial Instruments Short-Term Debtors 2016-17 was decreased by £4,241,000. Short-Term Debtors 2017-18 was decreased by £3,144,000. Long-Term Debtors 2017-18 was decreased by £1,096,000.</p>	The Short and Long-Term Debtors in Note 13.1 did not agree to the Balance Sheet or supporting Debtors note 13.5. The figures included in note 13.1 were 'gross' when they should be net (ie after impairment).

Value of correction	Nature of correction	Reason for correction
Presentational	Note 11.2 Nature of Expenditure Fees, charges and other service income decreased by £8,059,000. External grants and contributions increased by £8,059,000.	From review of the working papers, there were a number of 'consolidation' adjustments that had been incorrectly classified.
Presentational	Note 13.4 Nature and extent of risks arising from financial instruments Supporting note added for material Balance Sheet item: Short-Term Investments £10,038,000.	Additional disclosure required to comply with the CIPFA Code 2017-18.
Presentational	Note 13.4 Nature and extent of risks arising from financial instruments Short-Term Borrowings PWLB increased by £998,873. Long-Term Borrowings BWLB decreased by £998,873.	All Public Works Loan Board (PWLB) loans were treated as Short-Term Borrowings. One loan is due to be repaid in Less than one year and should have been treated as Short-Term Borrowings.
Presentational	Note 13.4 Nature and Extent of Risks arising from Financial Instruments Loans Mature between one and two years decreased by £5,000,000. Loans Mature between two to five years increased by £5,000,000.	One loan was incorrectly classified as maturing between one and two years, when it should have been classified as maturing between two to five years.
Presentational	Note 16.6 Related Business Operations Dragon Waste Ltd trading results updated to reflect 2017-18 figures.	The figures included for Dragon Waste Ltd in 2017-18 financial statements had not been updated from last year.
Narrative	Further detail added regarding restatement of Cost of Services (COS) comparatives to ensure the Authority is in line with the CIPFA Code 2017-18.	The COS comparatives for gross income and expenditure have been restated, but the Authority has not disclosed the nature of the reclassification, the amount or the reason for reclassification. This is required as per section 3.4.2.31 of the CIPFA Code 2017-18.
Narrative	Revised wording for accounting policy 17.20 Overheads and Support Services.	Accounting policy did not reflect the treatment in the financial statements.

Value of correction	Nature of correction	Reason for correction
Narrative	<p>16.6 Related Business and Operations Detail added regarding £4,500,000 loan from CSC Foundry Ltd, which is included in Short-Term Borrowings.</p>	<p>The related party disclosure for the 'City Deal' did not include details of the related party transaction with CSC Foundry Ltd. Monmouthshire County Council had significant control during 2017-18 and should have disclosed any transactions or balances with CSC Foundry Ltd, as per section 3.9.4 of the CIPFA Code 2017-18.</p>

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SUBJECT: Well-being Objectives and Statement – Annual Report 2017/18
MEETING: County Council
DATE: 20th September 2018
DIVISION/WARDS AFFECTED: All

1. PURPOSE:

- 1.1 To seek council approval of the Well-being Objectives and Statement – Annual Report 2017/18.
- 1.2 To ensure that members have access to performance information for 2017/18.

2. RECOMMENDATIONS:

- 2.1 That the Well-being Objectives and Statement – Annual Report 2017/18 be approved, subject to any final amendments agreed by Council.

3. KEY ISSUES:

- 3.1 The Well-being of Future Generations (Wales) Act is about the process of improving the economic, social, environmental and cultural well-being of Wales, by taking action in accordance with the sustainable development principle aimed at achieving well-being goals. The Council has a responsibility under the Well-being of Future Generations (Wales) Act 2015 to set well-being objectives. To achieve this the Council must:
 - Set and publish well-being objectives (initially by 31st March 2017)
 - Take all reasonable steps to meet those objectives
 - Publish a statement about the well-being objectives
 - Detail arrangements to publish an annual report of progress
- 3.2 The Council is also still required under the Local Government (Wales) Measure 2009 to set annual Improvement Objectives, produce an Improvement Plan and report annually on progress. The Welsh Government is consulting on a proposal to repeal Part 1 of the Measure which would remove this requirement in future years. Following discussions with regulators and the WLGA, it was deemed sensible to combine the two requirements in a single set of clear objectives.
- 3.3 In March 2017, full Council set Monmouthshire County Council's well-being objectives for 2017/18. These objectives were set just prior to local government elections in May 2017, in order to meet the legislative requirement under the Future Generations Act of approving and publishing well-being objectives by 31st March 2017 and the requirement under the Local Government (Wales) Measure 2009 to set improvement objectives. Due to the timing of the publication, the latest available evidence from the Monmouthshire well-being assessment, as well as policy and legislation, was used to set the objectives.
- 3.4 Following the election the establishment of the council's Corporate Plan, approved in February 2018, identified revised organisational goals (also the council's well-being objectives) that superseded the objectives set in March 2017. Despite these objectives being superseded by the Corporate Plan, it is important, and we have a duty, to report back on the progress we made in 2017/18 against the objectives set in March 2017, which is the focus of this report. This report will meet the

requirements of the local government measure of publishing an assessment of performance by 31 October 2018, whilst meeting the Well-being of Future Generations Act requirement of reporting performance before 31 March.

- 3.5 The plan describes progress with our four well-being objectives and assesses each one using a six point scale which ranges from unsatisfactory (1) to excellent (6). This includes progress against areas of work related to the objective, an understanding of key performance information and future activity the Council has agreed as part of the Corporate Plan. Performance against the well-being objectives has already been scrutinised by select committees in July 2018. All four of the objectives have been evaluated as making good progress
- 3.6 The report also evaluates the progress made in line with the nine expectations set out by the Future Generations Commissioner, in the 'Well-being in Wales: The journey so far' report published in May 2018, for public bodies to consider in their annual reports. One of the fundamental approaches advocated by the Act is a shift in focus to a stronger link between the actions of public bodies and the outcomes that enhance the quality of life of citizens and communities both now and in the future. The report takes account of the fact that the objectives are more focused on longer term outcomes and the impact made by the objectives may not be clearly demonstrable over short timescales, as was more the case with its predecessor the Improvement plan.
- 3.7 The annual report is a public document and should be accessible to a wide audience. The plan will be published by 31st October 2018 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.
- 3.8 Future annual reports will be based around monitoring and evaluating progress against the goals, which are also the Council's well-being objectives, set in the Corporate Plan.

4. OPTIONS APPRAISAL

- 4.1 This plan is an evaluation of previous commitments and is not seeking a decision on a future policy direction. The report provides a comprehensive analysis, using a range of information, on the council's performance in 2017/18. The structure of the report has been informed by the legislation it is required to meet, including expectations for annual reports set out by the Future Generations Commissioner.

5. EVALUATION CRITERIA

- 5.1 The report provides a comprehensive analysis of the performance of the council in 2017/18. When setting the 2017/18 well-being objectives a clear framework for how we would evaluate progress was identified which has been used to evaluate the objectives. The report also utilises a range of performance information, including data that is used to measure and benchmark local authority performance.

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 Well-being of Future Generations (Wales) Act and Local Government (Wales) Measure 2009.

7. RESOURCE IMPLICATIONS:

7.1 None. This report is a review of performance in 2017/18.

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. The progress the Council has made on the Future Generations Act, equalities and safeguarding is set out in the plan.

9. CONSULTEES:

Senior Leadership Team;

Cabinet;

Select Committees scrutinised progress against the well-being Objectives during July 2018. This facilitated Select committees to scrutinise how well the authority performed against the objectives set and give consideration to any further areas of scrutiny that committee may want to include on their forward work programme.

10. BACKGROUND PAPERS:

Well-being Objectives and Statement 2017

Corporate Plan 2017-22

11. AUTHOR:

Richard Jones, Performance Manager

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Well-being Objectives and Statement – Annual Report 2017/18



Version Control

Title	Well-being Objectives and statement – Annual report 2017/18
Purpose	<p>To assess our progress and performance in 2017/18 and evaluate how well we have done to help citizens hold us to account on our performance.</p> <p>This plan meets the council’s responsibility under the Well-being of Future Generations (Wales) Act 2015 to report on the progress it has made in meeting its well-being objectives for the preceding financial year (2017/18)</p> <p>This plan also meets 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.</p>
Owner	Monmouthshire County Council
Approved by	unapproved
Date	03/09/18
Version Number	1.0
Status	Draft
Review Frequency	Annual
Next review date	September 2019
Consultation	Senior Leadership Team Select Committees

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Introduction

Welcome to the **Monmouthshire County Council Well-being Objectives and Statement – Annual Report 2017/18**. This is the first report we have prepared of this kind and sets out the progress we have made towards achieving our objectives so far. Over the coming years, the shape of public services in Wales is likely to change significantly. Influenced by two very significant pieces of Welsh legislation, The Well-being of



Future Generations Act and The Social Services and Well-being Act, public services need 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.

The Future Generations Act is changing the way in which we plan, encouraging us to look much more to the future. Reducing budgets, increasing demands and higher public expectations means that we must change our approach to delivering public services. We have launched a programme called 'Future Monmouthshire', which looks at balancing short-term needs with our responsibilities to think about some of the big challenges facing our county in the future.

The well-being objectives detailed in this report were set in March 2017 informed by the Public Service Board's [Well-being Assessment](#), which provided information about Monmouthshire, its people and environment. This report provides an evaluation of the progress we have made to date to deliver these objectives.

As a member of the Public Service Board (PSB), we are also working with other public services and the voluntary sector on the delivery of the local well-being plan. This includes countywide well-being objectives that are a focus for public services that are part of the PSB in the area, these are related but separate from the objectives detailed in this report that focus specifically on the council.

As always, your feedback is important to us and there is a short survey at the back of this report for you to provide your views. You will also find contact details if you wish to contact us directly about anything contained within the report.

Our Purpose and Values

Monmouthshire County Council (“the council”) has a clear purpose. We shaped this in line with the goals and ambitions of our partners in other public services that are part of the Monmouthshire Public Service Board (PSB). The council’s Corporate Plan, published in March 2018, provides direction and sets out the things we will be working on for the next four years, taking us up to the end of the political term in 2022.

Our Purpose

We want to help build sustainable and resilient communities that support the well-being of current and future generations.

This purpose is at the heart of everything we do to improve the economic, social, environmental and cultural well-being of Monmouthshire, and we share this with our partners as part of the PSB.

Well-being Objectives and Statement 2017/18

The well-being objectives are at the heart of how we plan to improve the economic, social, environmental and cultural well-being of the county. In March 2017, full Council set Monmouthshire County Council’s well-being objectives for 2017/18. These objectives were set just prior to local government elections in May 2017, in order to meet the legislative requirement under the Future Generations Act of approving and publishing well-being objectives by 31st March 2017. Due to the timing of the publication, the well-being objectives we set brought together the latest available evidence from the Monmouthshire well-being assessment, as well as policy and legislation, to set out how we 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.

Each objective set out the aim or goal of what we want to achieve, the rationale for choosing the objectives, the national well-being goals contributed to and an indication of the type of steps that will be taken to meet the objectives in the short, medium or long term.

In planning our services and taking action to meet our wellbeing objectives, we also considered and applied the following five ways of working 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

Following appointments made after the election, the development of the Council’s Corporate Plan identified revised organisational goals for the council that superseded the well-being objectives set in March 2017. Despite these objectives being superseded by the Corporate Plan, it is important, and we have a duty, to report back on the progress we made in 2017/18 against the well-being objectives set in March 2017, which is the focus of this report.

Our Corporate Plan

The council's Corporate Plan 2017-2022, available at www.monmouthshire.gov.uk/improvement, sets out the things we will be working on. The plan sets out five organisational goals, which also incorporates our well-being objectives, supported by 22 commitments to action we will take and the ways in which they will be measured in the run-up to 2022. The purpose and priorities set for Monmouthshire in the Corporate Plan also reflect our contribution to well-being objectives set for the county by the PSB well-being plan. The objectives for the county and the goals for the council are shown in the diagram below.



How we have reviewed our 2017/18 Objectives

When we set our 2017/18 well-being objectives, we identified a clear framework for how we would evaluate the progress made, which we have applied in this plan.

The review takes account of the fact that the impact made by the objectives may not be clearly demonstrable over short timescales and has considered the extent to which:

- They have contributed to the achievement of the well-being goals,
- We are taking all reasonable steps to meet them,
- They remain consistent with the sustainable development principle.

The guidance for the Act is clear, we can decide when we want to review and/or amend one or more of the well-being objectives, providing the review considers the extent to which it maximises its contribution to the well-being goals, it is consistent with the five sustainable development principles, and it draws on the best possible evidence. The approval of the Corporate Plan 'A Monmouthshire that works for everyone', which sets five Organisational goals that the council will be working towards by 2022, supersedes the council's well-being objectives set in March 2017.

Our progress against each well-being objective has been assessed on a scale of 1 to 6 based on the following principles and the evidence of progress and impact made contained in this plan:

Level	Definition	Description
6	Excellent	Excellent or outstanding – All performance measures have achieved the target set and all actions 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 the successes are greater than the areas that have not been achieved.
3	Adequate	Strengths just outweigh weaknesses – The evidence of success marginally outweighs areas that 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

Wellbeing Objectives template explained

Wellbeing Objective: This sets the aim or goal of what we want to achieve over the medium term. The activity set out below will contribute to this.

Why we chose this?

This describes the reason why we have chosen to focus our time and resource on this objective.

Contribution of the wellbeing objective to the wellbeing goals

This identifies which of the well-being goals the objective will contribute to achieving: a prosperous Wales, a resilient Wales, a healthier Wales, a more equal Wales, a Wales of Cohesive Communities, a Wales of vibrant culture and thriving Welsh Language, a globally responsible Wales.

Summary of contribution to the wellbeing goals and consideration of sustainability principle

This outlines the considerations that have been made to the goals and ways of working under the WFG Act.

What progress have we made?

This sets the area of focus we planned to take that will contribute to delivering the objective set.

This describes the progress we have made in delivering the area of activity. This takes account of the longer-term focus of some of the activity to address opportunities and challenges identified in the Monmouthshire well-being assessment and as a result, the impact made by some activity may not be clearly demonstrable over short timescales.

Overview

This summarises the score using the evaluation criteria set, based on the evidence of our progress in the year

Performance Indicators progress

The long-term nature of the well-being objectives means that performance can be hard to measure in the short-term, with potential benefits not being seen for many years. However, this section provides an understanding of key performance information for some objectives that can be quantified now. These sometimes relate to more than one of our actions and focus quantifying progress towards the objective as a whole.

Future actions in our Corporate Plan 2017-2022

The Corporate Plan 2017/2022 includes a number of programmes of work that the council is committed to deliver by 2022. This section identifies the programmes of work in the corporate plan that will further progress the activity from this objective.

Objective 1: Provide children and young people with the best possible start in life to help them achieve better outcomes

Why we chose this?

The first thousand days of a child's life, from conception to their second birthday, has a significant impact on their outcomes and those of future generations. Adverse childhood experiences have a negative impact on people's long-term health and economic prospects, and can be perpetuated through the generations. Increasing healthy behaviours in these stages of a child's life will improve their life chances and there is a role for the council, working in partnership with others, to address this.

A fifth of children in the county are overweight or obese by the age of five with an estimated one hundred classrooms of obese children in the county.

High levels of attainment in our schools can mask variations in different areas, with evidence of strong links between poverty and lower attainment. A further challenge is whether young people are being equipped with the skills for a changing job market, influenced by globalisation and automation with global student assessment Pisa results show that children in Wales can lag behind those in other developed nations.

Contribution of the wellbeing objective to the wellbeing goals

Prosperous Wales

Healthier Wales

More equal Wales

Vibrant culture and thriving welsh language

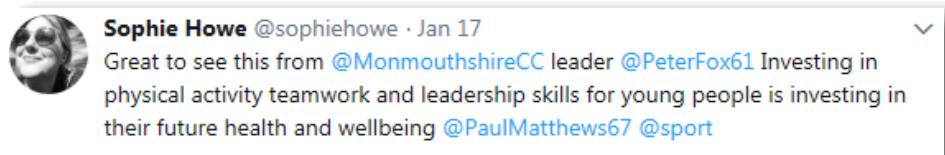
Summary of contribution to the wellbeing goals and consideration of sustainability principle

Under the Wellbeing of Future Generations Act (WFGA) we have a responsibility to consider our actions in the long-term. Ensuring our young people of today have the best possible start in life will give them the best opportunity to achieve success in their adult life. Integration with the Well Being goals was key when considering the objectives, and working to develop and improve childhood experience is important in creating a more equal Wales, where people are able to fulfil their potential, irrespective of their background or circumstances. This will also assist in creating a healthier Wales, with better physical and mental wellbeing and a more prosperous Wales, with skilled individuals working to increase wealth and opportunities. Involvement of people with an interest in achieving this objective came in the form of the PSB well-being assessment consultation. A focus was made to ensure young people were engaged as part of the 1600 individuals from around Monmouthshire that were asked what they liked and what could be improved in the area. The results were used to inform the four wellbeing objectives identified in the plan. Prevention is at the heart of this objective. Identifying potentially adverse childhood experiences as early as possible will contribute to improving their life chances.

What progress have we made?	
Development of the Team Around the Family service (TAF)	<p>In December 2017, Cabinet approved the realignment of the Team Around the Family service as part of the wider structure of family support services. TAF aims to provide families with a coordinated care plan offering multi-agency support to suit specific needs highlighted by the family. The TAF structure consists of the parent(s), a TAF worker and any other appropriate professionals who are involved in the child's life, or who would be able to provide a service to the family. This proposal realigned the activity of the TAF team so that the team focusses more on working directly with vulnerable families on the cusp of statutory intervention to prevent them requiring statutory support. The team deliver brief interventions that are outcome focussed around what matters to children and families in line with the Social Services and Well-being Act.</p> <p>The TAF team has been refocussed, retrained and re-branded as the Building Strong Families Team. Alongside this, an integrated referral pathway and Early Help Panel has been established to allow referrals to be received from services and individuals including schools, social services and GPs, which are allocated to one of a range of early help and preventative services.</p> <p>Working in this way is intended to reduce duplication and enables families to get the right help first time working on a 'no bounce' principle to stop referrals being refused and referrers being redirected to other services. This model has already streamlined the referral process, duplication and double handling of referrals has been reduced and the model has enabled the Primary Care Mental Health Service Pilot to begin, meaning that young people in Monmouthshire have been able to access additional services.</p>
Improving educational attainment at all key stages. Equipping learners with opportunities, skills and behaviours needed to realise their potential	<p>Exam results from the summer of 2017 (2016/17 academic year) show:</p> <p><i>Foundation Phase</i></p> <p>Monmouthshire schools have successfully implemented the revised Foundation Phase framework, consistently improved outcomes and maintained Monmouthshire's position as one of the highest performing local authorities. Monmouthshire's score at the Foundation phase indicator rose by 2.1 percentage points (pp) in 2017 to 93.8%. The performance of Free School Meal (FSM) pupils has increased through targeted intervention and tracking. As a result, the attainment gap between FSM and non-FSM pupils at the Foundation Phase has narrowed to 9.9pp in 2017 from 17.3pp in 2016.</p> <p><i>Key stage 2</i></p> <p>2017 saw a slight decline in performance and ranking at key stage 2. In the Key Stage 2 Core subject indicator, Monmouthshire's performance declined by 0.9pp in 2017 to 93.2%. In terms of local authority rankings, Monmouthshire has dropped from 1st to 2nd</p>

	<p>place in 2017, having been the highest performing local authority for the previous 2 years. The attainment gap between FSM and non-FSM pupils widened slightly by 0.6pp to 10.2 in 2017, the 2nd lowest score achieved within the last 4 years.</p> <p><i>Key stage 3</i></p> <p>There has been an improving five-year trend in performance level 5+ at the end of key stage 3 and as a result, Monmouthshire is now amongst the highest performing for all key indicators for the first time during that period. During this time, schools have systematically developed and implemented effective cluster working between the secondary school and feeder primary schools. At 92.7%, performance in the Key stage 3 Core subject indicator in 2017 continues the improving trend of the last five years and Monmouthshire is ranked 2nd in Wales. The attainment gap between FSM and non-FSM pupils in 2017 has narrowed from 21.5pp to 18.8pp. NB. Attainment rates in primary schools are not maintained through key stages 3 and 4.</p> <p><i>Key stage 4</i></p> <p>2017 saw the first tranche of new examinations and accountability measures introduced in Wales. There is no direct comparability from results in 2017 to previous years. 67% of pupils in Monmouthshire achieved the Key Stage 4 Level 2 inclusive of English/Welsh first language and mathematics indicator, the highest of any local authority in Wales. The FSM/non FSM pupil attainment gap has fluctuated over the last few years and widened in 2017 for this indicator from a 41.2pp gap in 2016 to a 43.8pp gap, above the Wales average of 32.3pp.</p> <p>The percentage of pupils known not to be in education, training or employment (NEET) measured by Careers Wales for year 11 leavers shows that the rate in Monmouthshire in 2017 has dropped by 0.6 percentage points to 1.4%, with the Welsh average being 1.6%. Well-being is critical to allowing our learners to succeed and maximise the benefits of teaching and learning on offer. All of Monmouthshire's schools are significantly investing in wellbeing support for their learners. A key part of this is the development of Emotional Literacy Support Assistants (ELSA); a programme of development led by the council's Educational Psychologists.</p>
<p>Partnership working to address Adverse Childhood Experiences (ACEs)</p>	<p>Monmouthshire PSB have approved their well-being plan and objectives. One of the steps under the "Provide children and young people with the best possible start in life" objective is tackling the causes of ACEs and the perpetuation of generational problems in families. The PSB is currently developing the action it will take to address the step with involvement from a range of partners. This will link with work being developed as part of the Area Plan under the Social Services and Well-Being Act which sets out the high-level outcomes and priorities for regional working across health, social care and the third sector, and include a focus on factors related to ACE's</p>

	<p>The response to this in Monmouthshire requires further evaluation and coordination with a range of partners, to develop a long-term approach taking account of the complexity of issues involved. This work will help shape the council's response and role it plays with partners to address Adverse Childhood Experiences. Existing partnership work being undertaken to address Adverse Childhood Experiences include the work of the Safer Monmouthshire Group and the Children & Young Peoples Strategic Partnership.</p> <p>Safer Monmouthshire are currently exploring their priority areas of focus for the future, and how these contribute to/result in the causes of ACE's. This work is ongoing and links are being made between the wider community safety partners and social services safeguarding leads to explore the issues and challenges further.</p> <p>The Children & Young Peoples Strategic Partnership have identified their priority areas, focussing on children's & young people's mental health and resilience, in relation to tackling ACE's. Work is currently taking place, with wide partner input and engagement, to better understand the issues and current service provision, looking closely at the gaps in provision and how a more preventative approach can be taken to addressing the issue.</p>
<p>Safeguard children to enable them to have effective life chances</p>	<p>The council's Corporate Safeguarding Policy was approved by Council in July 2017 and covers duties for both children and adults at risk in line with the Social Services and Well Being (Wales) Act (2014). The policy is a mechanism to evaluate understanding, systems and training throughout the council and ensures that safeguarding is firmly placed as core to the business of the council.</p> <p>Progress against the council's safeguarding priorities is evaluated every six months and the priorities reflect the cornerstones for keeping people safe in Monmouthshire set out in Corporate Safeguarding Policy. The evaluative scores for each priority from March 2018 are shown in the "Safeguarding self-assessed evaluative scores" graph below. The evaluative report uses quantitative and qualitative measures, and case studies where appropriate, to highlight progress, areas for improvement and further development. It is based on our commitment that adults at risk and children will be supported and protected from harm and abuse. The report acknowledges that safeguarding is always a 'work in progress'. Constant vigilance is needed at all levels of leadership and operational delivery to ensure the right culture, policy, practice and measurement systems are in place to keep people safe.</p> <p>Wales Audit Office have previously issued statutory recommendations to the council in respect of safeguarding as part of their 'Safeguarding arrangements – Kerbcraft scheme' report in January 2017 and an action plan, monitoring and reporting arrangements, have been established. This was followed by a Wales Audit Office led inspection on safeguarding which took place in January 2018. The outcome of which will inform future safeguarding plans.</p>

<p>Delivering the Welsh in Education Strategic Plan</p>	<p>The council has produced a draft Welsh in Education Strategic Plan (WESP) 2017-2020 that was consulted on between November and December 2017. The plan sets out the council's vision and action plan for developing Welsh in Education within the County, working in partnership with other councils within the southeast Wales region and the Education Achievement Service for South East Wales (EAS). The plan includes actions on the potential expansion of Welsh medium primary and secondary education within the county. Following consultation with Welsh Government and the Monmouthshire Welsh Medium Education Forum the plan is being further developed to ensure it robustly develops Welsh in Education within the County and will then be subject to further consultation with these stakeholders.</p>
<p>Increasing opportunities for exercise and reducing obesity</p>	<p>The council plays a key role in the Creating an Active and Healthy Monmouthshire Partnership as part of the PSB. The PSB adopted childhood obesity as a priority and the partnership has led on the delivery framework coordinated by Public Health Wales to tackle it. The Monmouthshire Leisure and Sports Development Team have undertaken a variety of activities in 2017/18 in preschool, primary school, secondary school and in the community through initiatives such as Insport (disability sport provision), Playmaker Programme, the Monmouthshire Games, the Daily Mile, 5x60 provision, community club support, community club investment, coach education and the Girls Can programme.</p> <p>The relationship the Sport Development team has developed with primary schools in particular has seen a significant impact on wellbeing for children across the authority. Four educational programmes have been established with opportunities in both foundation phase and Key Stage 2. This has been supported by attendance in excess of 2,500 during year 3-6 sports festivals linked to community provision for sustained participation. Primary schools are also being supported with a wider offer including curriculum based health initiatives and after school clubs.</p> <p>During autumn/winter 2017/18, all year 5 pupils in the council's primary schools (941 children) took part in the Sports Leaders UK Playmaker award which focuses on communication, leadership, organisation and resilience. Following completion of the award, pupils have been encouraged to undertake further activities with the Sports Development Team focussing on physical and emotional well-being. There is a commitment to offer the Playmaker programme to future year five classes. The Sports Leaders UK Playmaker</p> <div data-bbox="1041 507 1982 662" style="border: 1px solid #ccc; padding: 5px; margin: 10px 0;">  <p>Sophie Howe @sophiehowe · Jan 17 Great to see this from @MonmouthshireCC leader @PeterFox61 Investing in physical activity teamwork and leadership skills for young people is investing in their future health and wellbeing @PaulMatthews67 @sport</p> </div>

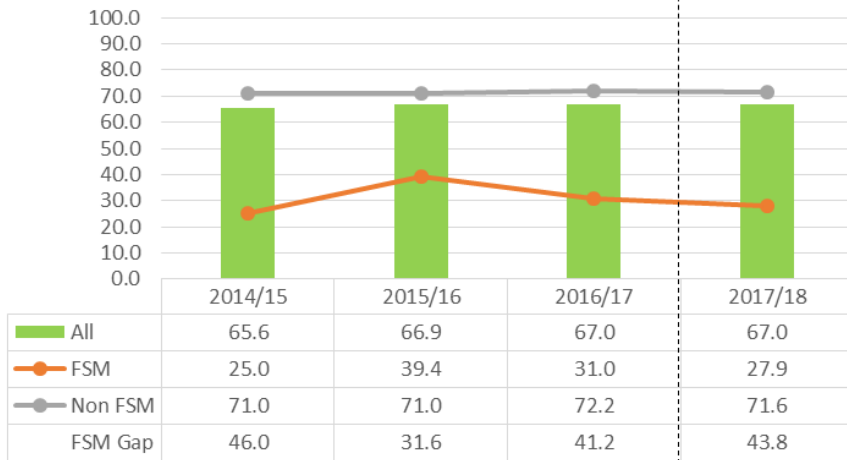
programme is very much in line with the aims of the Well-being of Future Generations (Wales) Act 2015 to support our young people to continue to grow into confident leaders and embed health and physical activity into the centre of their daily routine and lifestyle. This work is supported by the ongoing development of programmes such as the Young Ambassador's, Sport4Life Volunteer pathway and Secondary School Leadership Academies. The Child Measurement programme for Wales 2016/17 showed that 8% of children aged 4 to 5 in Monmouthshire are obese, the Welsh average was 12.4%.

Overview

Based on the evidence above, this objective has been evaluated as a level 4 – good; important strengths with some areas for improvement

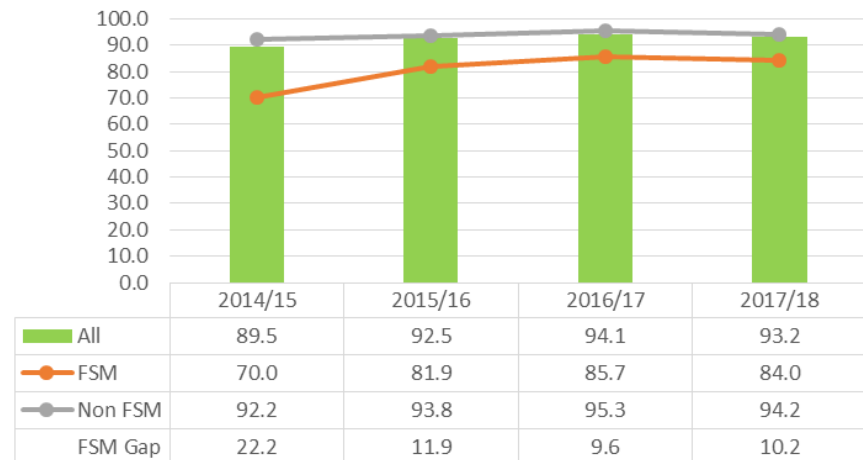
Performance Indicators progress

% Pupils Achieving Key Stage 4 Level 2 inclusive



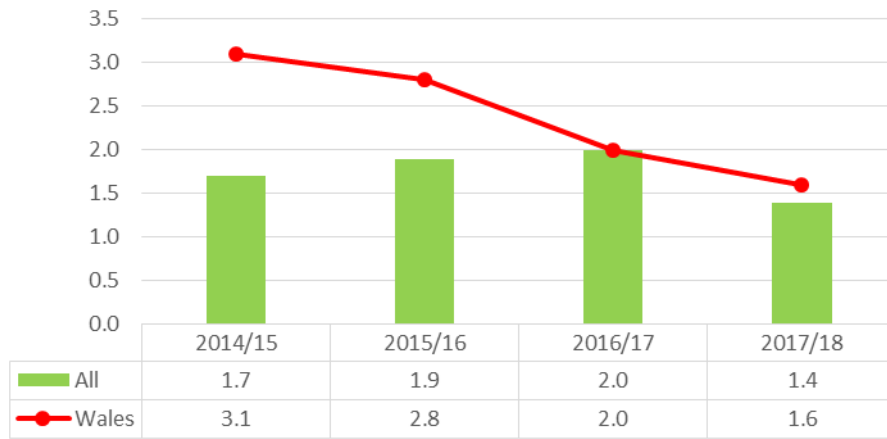
Percentage of pupils who have achieved the Key stage 4 "Level 2 threshold" including English or Welsh first language and Mathematics, including the gap between those who are eligible and are not eligible for free school meals. Years relate to previous academic year, for example 2017/18 relates to 2016/17 academic year. 2017/18, results from the academic year 2016/17, was the first year of new changes to the Level 2 inclusive indicator and the dotted line represents there is not direct comparability from 2017/18 to previous years.

% Pupils Achieving Key Stage 2 CSI



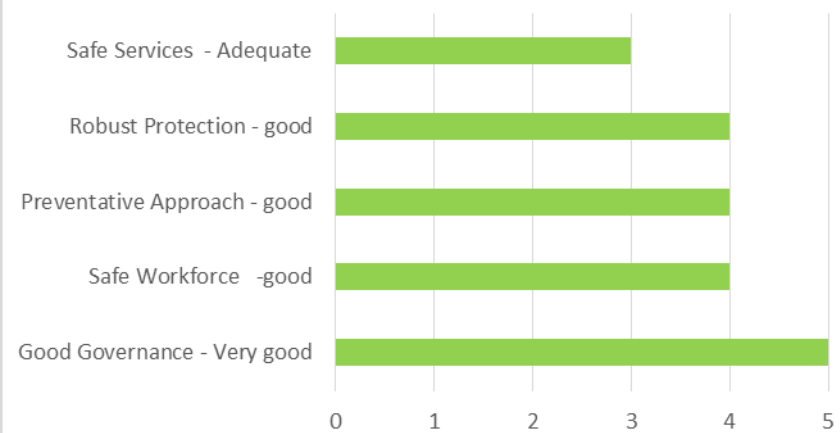
Percentage of pupils achieving the Key Stage 2 Core Subject Indicator including the gap between those who are eligible and are not eligible for free school meals. Years relate to previous academic year, for example 2017/18 relates to 2016/17 academic year.

Pupils known not to be in Education, Training or Employment



The graphs shows the percentage of pupils known not to be in education, training or employment (NEET) measured by Careers Wales for year 11 leavers

Safeguarding priorities self-assessed evaluative scores - March 2018



Progress against the council's safeguarding priorities is evaluated every six months and the priorities reflect the cornerstones for keeping people safe in Monmouthshire set out in Corporate Safeguarding Policy. The graph shows the safeguarding self-assessed evaluative scores from March 2018, the scale ranges from level 1 "Unsatisfactory" to level 6 "Excellent"

Future actions in our Corporate Plan 2017-2022

The Corporate Plan 2017/2022 includes a number of programmes of work that the council is committed to deliver by 2022. The programmes of work identified in the corporate plan that will further progress the activity from this objective include:

- A best Possible start in life:
- 1) the council invests in future schools
 - 2) the council has a plan for raising standards in schools
 - 4) the council implements a model of early intervention and prevention for children and families
 - 5) the council ensures permanent accommodation and support for looked-after children
- Lifelong well-being:
- 18) the council boosts leisure, recreation and wellbeing

Objective 2: Maximise the potential in our communities to improve well-being for people throughout their life course

Why we chose this?

Monmouthshire has an ageing population with the number of over 85s set to increase by 186% in the next 25 years. This creates challenges but also brings many opportunities. Public services cannot continue to meet needs in the same way yet Monmouthshire has high levels of volunteering and social capital. By taking an asset and place-based approach, there is an opportunity to improve well-being within communities while reducing the future demand on public services by keeping people well for longer.

Contribution of the wellbeing objective to the wellbeing goals

Prosperous Wales

Resilient Wales

Healthier Wales

More equal Wales

Wales of cohesive communities

Summary of contribution to the wellbeing goals and consideration of sustainability principle

There is a heavy focus on long-term planning in this objective. Ensuring there is support available at all stages of an individual's life is essential in ensuring they are healthier, both physically and mentally. Providing that support in a way that reduces the demand on public services means that the limited resources available can be used to best effect. Not only does volunteering help to create a healthier Wales, it also contributes to creating a Wales of cohesive communities. A culture of co-production allows communities to feel empowered and creates a sense of belonging. This objective is essential for the integration of the council's commitment to the wellbeing objectives, and to the sense of involvement for people in the area to be able to contribute to the achievement of the objective.

What progress have we made?

Transformation of adult social care

Domiciliary care or care at home is the single largest area of care and support that the council offers. In 2016/17 the total gross spend across older adults social services was £20million; a significant proportion (33%) of this was spent on care at home for older people. There is a growing acknowledgement across the sector that the traditional model of time allocated slots to provide personal care tasks is broken.

Adult social services have embarked upon a programme looking at a transformational approach to the delivery of care at home in a review called 'Turning the World Upside Down'. The review has followed a creative, co-produced approach and has

proposed a new model for the provision of care at home that is being finalised for a decision on whether to be adopted. The proposed model has given consideration to the responsibility under the Social Services and Well-being Act and Future Generations Act and moves away from an approach which is focused merely on time-and-task of personal care support. It seeks to support people in a sustainable way to achieve personal outcomes, which may include pursuing social, recreational and cultural interests. This should facilitate people to build upon their strengths and lead to improved personal outcomes for the people supported to achieve what matters to them and maximise their sense of well-being. The model also develops a very different relationship between commissioners and providers of services; working towards a shared aspiration of better outcomes for individuals.

A County That Serves
volunteering programme;

Monmouthshire, A County That Serves (ACTS) is a council run volunteering programme, created to help highlight and support volunteering opportunities available within the county.

A Digital Volunteer Management System, the Volunteer Kinetic platform, has been implemented for volunteer safe recruitment, communication, capturing outcomes and publicity of opportunities. This represents a channel shift and a cultural change in the way we support volunteers in Monmouthshire. Volunteer Kinetic will improve the volunteering experience and enhance the communication with our volunteers. Wales Council for Voluntary Action (WCVA) is also rolling this out across Wales so our system aligns with the national volunteering picture. Volunteer Kinetic now captures the hours that our volunteers give.



	<p>In November 2017, we implemented a new proportionate and enabling volunteering policy position. We believe recognition means different things for our volunteers. Each year we partner with Gwent Association of Voluntary Organisations (GAVO) to deliver the Monmouthshire Volunteer Achievement Awards. Also on a local level, we provide informal recognition and thank you events for our volunteers.</p>
<p>Developing a community leadership academy</p>	<p>Funded through the Rural Development Plan, the 'Be. Community Programme' (formerly the Community Leadership Academy) is designed to increase the participation and quality of community leadership. The programme provides a suite of training and personal development opportunities at low or no cost to people who give their own time to support their communities. The Academy has the dual benefit of allowing individuals to develop their personal skill sets (with associated benefits for employment and the local economy), whilst also bringing about benefits for the wider community by enhancing the quality of community leadership.</p> <p>Progress to date include:</p> <ul style="list-style-type: none"> - Partnering with Bridges Community Centre who are sharing their skills by delivering Inspiring Evaluation training. - A community volunteer with extensive experience in Health and Safety has kindly developed a course for volunteers leading groups, dispelling the myths and adopting a practical approach to risk management. Another community volunteer has offered to share their skills, knowledge and experience in using social media. The course and associated information is targeted at volunteers looking to develop skills in marketing and community engagement. - Working to link like-minded volunteers with others to increase networks, for example one area of success has been local promotion of events. By linking new ambitious groups with established and experienced individuals, benefits have been evidenced on both sides. - A focus on courses for volunteers around wellbeing, these have been well attended and been tried in new geographical areas. - A promotion campaign through the council tax leaflet, which went out to 44,000 homes, to promote the programme and opportunities to get involved in the community. - 87 people have accessed the online learning section of the programme, we will look to increase the content and publicity as feedback has been positive. <p>We are currently planning a bespoke support package for volunteer groups exploring Community Asset Transfers and relationships with private sector organisations. We are planning this with community leaders, our colleagues in GAVO and using learning from other areas. This will be piloted in the coming months.</p>

<p>Developing clearer support for groups interested in developing local solutions</p>	<p>The review of community governance established the need to understand the Authority's level and type of community engagement and its direct relationship to how local needs and solutions are identified, developed and delivered in the context of the role of local decision making by Area Committees. The review led to the decision to merge the previous Whole Place and Strategic Partnership Teams into a single Partnership and Community Development Team. This ensures alignment between strategic intent and the work that the council does with local groups to enable a focus on building sustainable and resilient communities.</p> <p>The objectives of the Community and Partnership Development Team are to act as enablers, working with our communities and partners to enable them to realise their full potential through the identification and achievement of common goals. By taking a hybrid approach using collective, asset and place based methodologies, the team will identify opportunities to improve well-being within our communities to reduce demand on the county's public services by keeping people well for longer. In addition, through the council's Social Justice Strategy, specific activities will target pockets of inequality between and within communities, seeking to address issues of isolation and poverty through sustainable regeneration activities.</p> <p>An example of the work undertaken so far includes the development of a multi-agency approach to tackle loneliness and isolation across the life course. An evidence based approach to 'what works' and 'what we know' will be used to inform partners thinking and unlock opportunities for a multi-agency collaborative approach to the challenges around social and emotional loneliness and isolation. This work is in the very early stages of developing a draft plan of action. Early iterations of the draft plan have been progressing through the Ageing Well Partnership, and discussions are taking place with the Integrated Youth Offer partnership to explore how we can galvanise our youth support services and wider communities to help address this issue for children & families across the county.</p>
<p>Improving community governance arrangements</p>	<p>A community governance review has been completed. The review examined local decision making within Area Committees and the level and type of community engagement and the extent to which this facilitates effective involvement. The review identified the need to consider new arrangements for area committees. Bryn y Cwm Area Committee was subsequently identified as a pilot and would act as the primary mechanism for influencing decisions in the locality. A temporary arrangement to the council's constitution has given voting rights to non-county council members of this committee. When operating effectively area committees should be able to exert influence at the interface between strategic and local decision-making ensuring that resources are directed to local priorities. Other areas are served by a cluster arrangement with a member of</p>

Senior Leadership team aligned to each cluster. The review also led to a decision to merge the previous Whole Place and Strategic Partnership Teams into a single Partnership and Community Development Team.

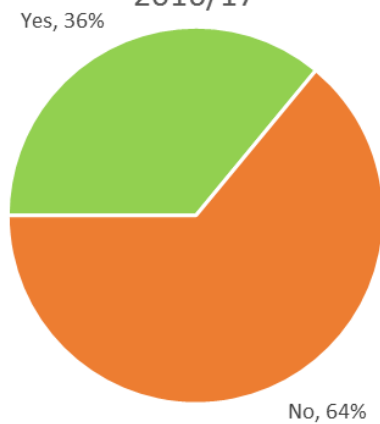
The review will look to strengthen arrangements and perception amongst local people that they are able to influence decisions in their local area and participate in local democracy. Latest data from the National Survey for Wales in 2016 /17 shows 23% of people feel able to influence decisions affecting their local area.

Overview

Based on the evidence above, this objective has been evaluated as a level 4 – good; important strengths with some areas for improvement

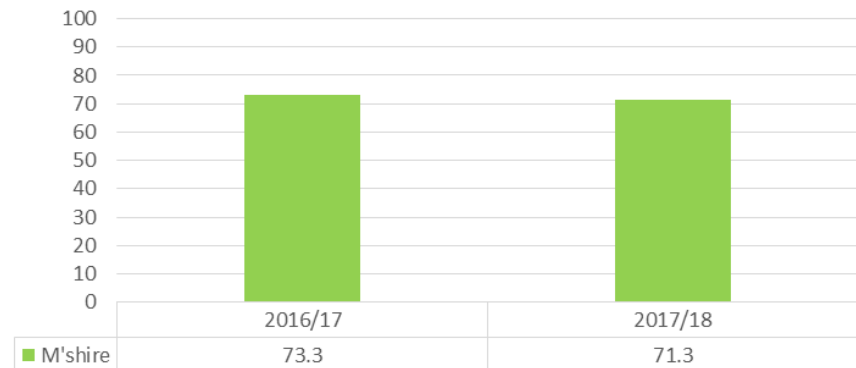
Performance Indicators progress

% People in Monmouthshire who volunteer - 2016/17



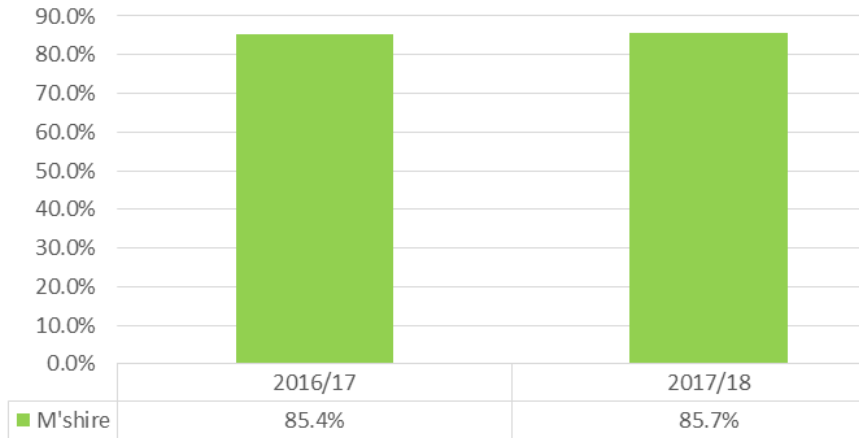
Percentage of respondents in Monmouthshire to the National Survey for Wales who said they volunteer

% of adults who completed a period of reablement and have no package of care and support 6 months later



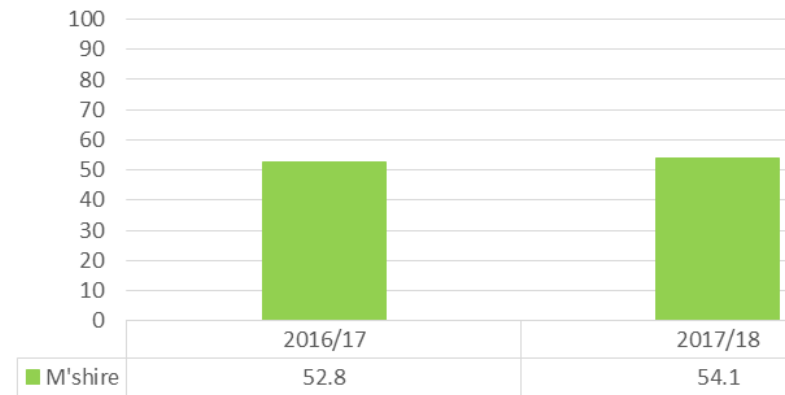
Reablement provides intensive short-term interventions aiming to restore people to independence following a crisis. The intention is to avoid or reduce hospital admissions by intensively supporting people at home. The graph shows the percentage of adults who completed a period of reablement who have no package of care and support 6 months later

% of adults receiving care and support who are happy with the care and support

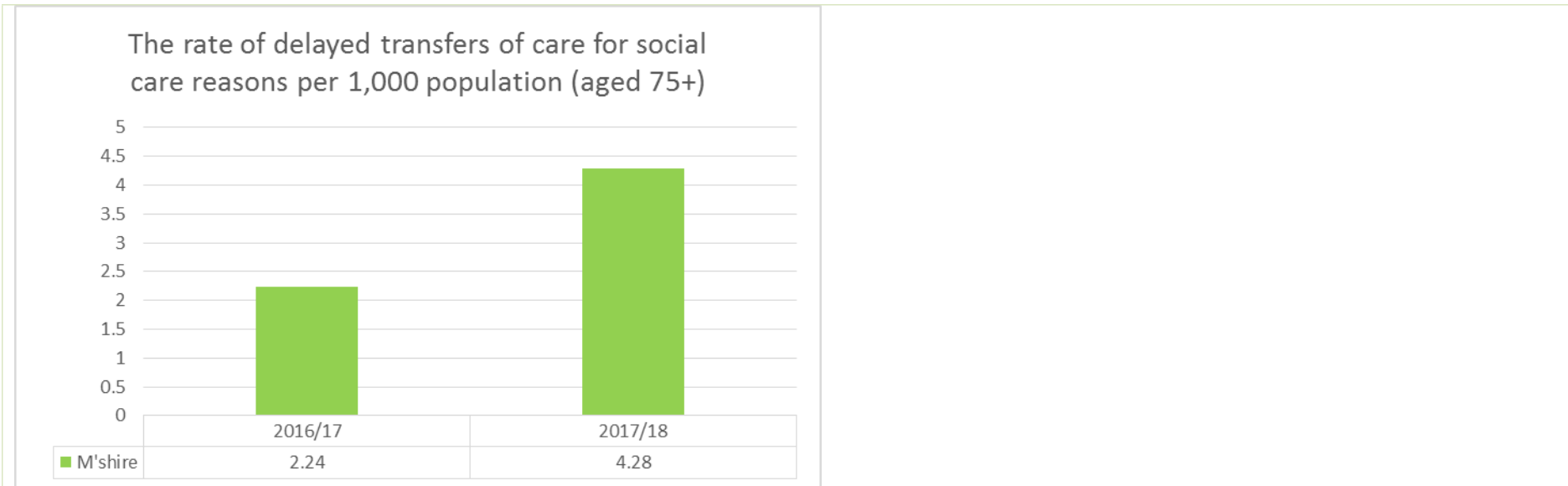


Each year we send questionnaires to adults receiving care and support asking their views on the care provided. The responses to these questionnaires received in 2017/18 tell us the proportion of adult service users who are happy with their care and support. This will be an important measure to monitor as services such as care at home transform.

% of adults receiving care and support who felt they can do the things that are important to them



Each year we send questionnaires to adults receiving care and support asking their views on the care provided. The responses to these questionnaires received in 2017/18 tell us the proportion of adult service users who felt they could do the things that were important to them.



Delayed transfers of care are delays in providing social care that result in longer than necessary hospital stays. The graph shows the rate of patients aged 75 or over who were delayed for social care reasons per 1,000 population aged 75+. During 2017/18 there were 43 actual delays relating to 38 people, as some people were delayed for more than one period; this is a significant increase compared with 22 in the previous year. Whilst it is important to note that this is a small proportion of the discharges supported by the council, every delay in a transfer of care means someone is not getting the right care for them. The majority of delays in hospital in 2017/18 were while waiting for a new home care package to be provided.

Future actions in our Corporate Plan 2017-2022

The Corporate Plan 2017/2022 includes a number of programmes of work that the council is committed to deliver by 2022. The programmes of work identified in the corporate plan that will further progress the activity from this objective include:

Lifelong well-being:

- 15) the council enables connected and caring communities supporting people to live independently
- 16) the council delivers on social justice, better prosperity and reducing inequality
- 17) the council enables better local services through supporting volunteers and social action

Objective 3: Maximise the benefits of the natural and built environment for the well-being of current and future generations

Why we chose this?

Residents who responded to *Our Monmouthshire* engagement clearly emphasised the landscape and countryside as being of great value. The environment, both natural and built, is an asset that needs to be valued and protected for future generations, while also equally be accessible, promoted and enhanced for its contributions to culture, the economy, society, and health and well-being.

Our natural resources are also under many pressures including development, climate change, the need to produce energy and more. Managing our natural resources responsibly is essential to ensure our long-term well-being. We have a responsibility to continue to play our part in mitigating to prevent changes to our natural resources as well as adapting to protect our communities and infrastructure from the inevitable effects of change. We also have responsibilities under the Environment (Wales) Act 2016 to support Biodiversity and Ecosystem Resilience.


Contribution of the wellbeing objective to the wellbeing goals

Prosperous Wales
 Resilient Wales
 Healthier Wales
 Wales of cohesive communities
 Vibrant culture and thriving welsh language
 Globally responsible Wales

Summary of contribution to the wellbeing goals and consideration of sustainability principle

Our natural and built environment is key to achieving all of the wellbeing goals set by the future generations act. The area in which people live, work and visit contributes to their overall wellbeing and in Monmouthshire, this is a huge asset. A long-term approach to this objective is clearly essential to ensure the environment benefits generations to come. Creating a prosperous, healthy and resilient area for people to enjoy demands the integration of this objective as the environment within Monmouthshire forms such an important part of achieving a range of goals. Collaboration is required from partners within the PSB to maximise the potential of the environment within the county and to implement preventative measures to reduce any risks that may be posed.

What progress have we made?	
Implement the Biodiversity and Ecosystem Resilience Forward Plan	<p>Council approved a Biodiversity & Resilient Ecosystems Forward Plan in March 2017 to comply with the requirements of the Environment Act (Wales) 2016 to plan the delivery of the enhanced Biodiversity and Resilience of Ecosystems Duty.</p> <p>Progress made on the plan in 2017/18 includes Developing the Green Infrastructure Management Plan strategy that will be applied across all countryside sites, this approach has commenced in Castle Meadows Abergavenny & Caldicot Castle Country Park. Working with partners, we completed the submission of the stage 2 bid to the Heritage Lottery Fund for the Living Levels Landscape Partnership scheme. The Landscape Conservation Action Plan was submitted in late August and the Heritage Lottery Fund confirmed the stage 2 grant of £2.54M in December 2017.</p>
Maximising the benefits from Green Infrastructure	<p>Green infrastructure (GI) is a term used to refer to high quality natural and semi-natural areas, which together make a living network of green spaces, water and other environmental features in both urban and rural areas. The council has utilised the concept of GI in recent years, recognising the major contribution it can make towards solving a range of social, environmental and economic issues that is well established in Wales. In 2017/18, progress made includes securing GI Capital grant from Welsh Government to support practical work at Caldicot Castle Country Park and enable GI corridor improvements in Caldicot and the production of a countywide GI Strategy into 2018/19.</p>
Improving access to the countryside	<p>The Rights of Way Improvement Plan (RoWIP) is currently being reviewed and is the means by which The council identifies, prioritises and plans for improvements to the access available in the county. Significant changes have occurred since the publication of the current RoWIP, in terms of the way in which they are managed, funded and in legislation. There is now an even greater need to have clear, evidence-based and prioritised plan to target resources whilst giving the greatest public benefit by delivering across multiple policy areas and integrating with other services and partners.</p> <p>The scope of the new Improvement Plan should therefore encompass countryside access in its widest sense. Doing so will produce a holistic plan that is not only able to address the rights of way network, but also access to the natural environment, health benefits, biodiversity & green infrastructure, sustainable transport (link to active travel plan), tourism and contribute to the council's wellbeing objectives and wider links. The assessment stage of the review is being completed.</p> <p>Practical improvements completed in 2017/18 include the Usk Valley Walk, Wales Coast Path & Offa's Dyke National Trail. Funding was secured to improve visitor facilities at the Clydach Ironworks, which will contribute to better access to the Clydach Gorge during 2018/19.</p>

<p>Promoting tourism</p>	<p>In January 2018, Cabinet approved a revised Destination Management Plan (DMP) for Monmouthshire. The DMP establishes a clear framework for public, private and voluntary sector partnership working to address identified priorities and deliver year round sustainable tourism growth to maximise the economic, social, environmental and cultural benefits of tourism across all parts of the county.</p> <p>The DMP has been developed in consultation with stakeholders and is based on a review of development and marketing priorities to ensure they are fit for purpose and reflect the needs of Monmouthshire’s businesses and communities, identifying the optimal areas on which to focus activity over the next three years. The revised DMP aims to grow tourism revenue in the county by 10% in real terms value (from 2015 base) across the year, across all parts of the County, based on high quality visitor experiences. To achieve this a number of objectives are identified including consolidating Food Capital of Wales status for Monmouthshire and Encouraging investment in the serviced accommodation sector.</p> <p>Latest figures for Monmouthshire from STEAM 2017 show that there were a total of 2.3 million tourist visitors in 2017, an increase of 1.1% from 2016. The total economic impact of tourism in Monmouthshire in 2017 was £204.43 million, an increase of nearly 5% from 2016.</p>
<p>Renewables & Energy efficiency</p>	<div data-bbox="600 842 1406 1289" data-label="Image">  </div> <p>The council has developed a Solar farm on council-owned land in Crick that has the capacity to generate enough electricity to power around 1,400 homes; it will also save over 2,000 tonnes per year of CO2 by generating clean, renewable energy. During 2017/18 the solar farm generated 4,508 MWh despite unscheduled shut downs due to distribution network and other maintenance issues.</p> <p>Through its operation, the council remains committed to reducing its carbon footprint. In 2017/18, 1,585 tonnes of CO2 emissions were</p>

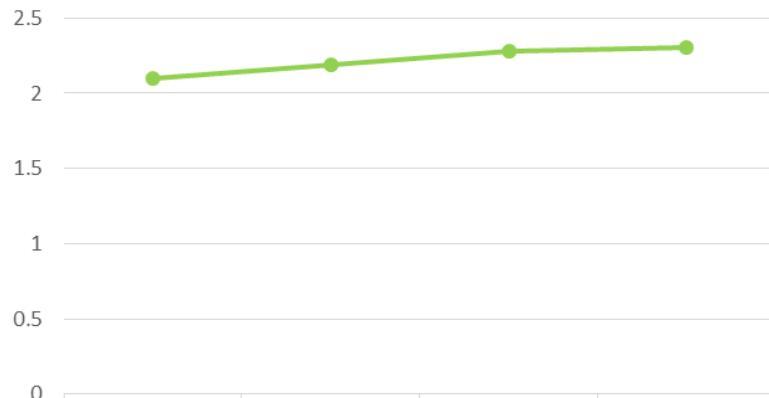
avoided through the solar farm electricity generation, offsetting approximately 42% of the council's emissions from electricity use, with further reductions achieved through other renewable energy installations and energy consumption reduction.

Overview

Based on the evidence above, this objective has been evaluated as a level 4 – good; important strengths with some areas for improvement

Performance Indicators progress

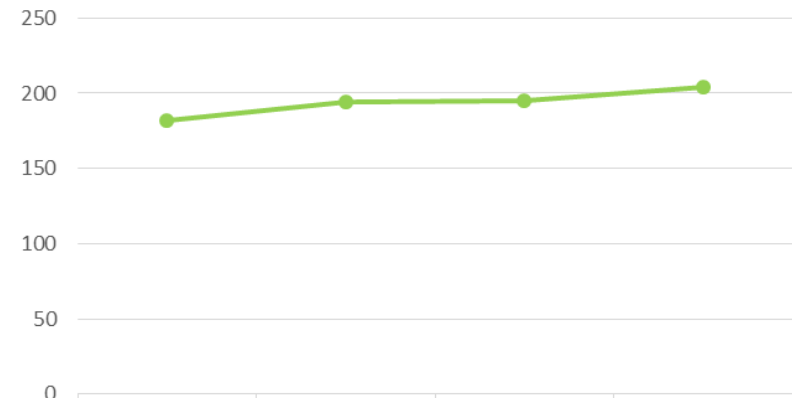
Total tourist visitor numbers (millions)



Year	2014	2015	2016	2017
M'shire	2.098	2.19	2.28	2.304

The graph shows the trend in total tourist visitor numbers in Monmouthshire

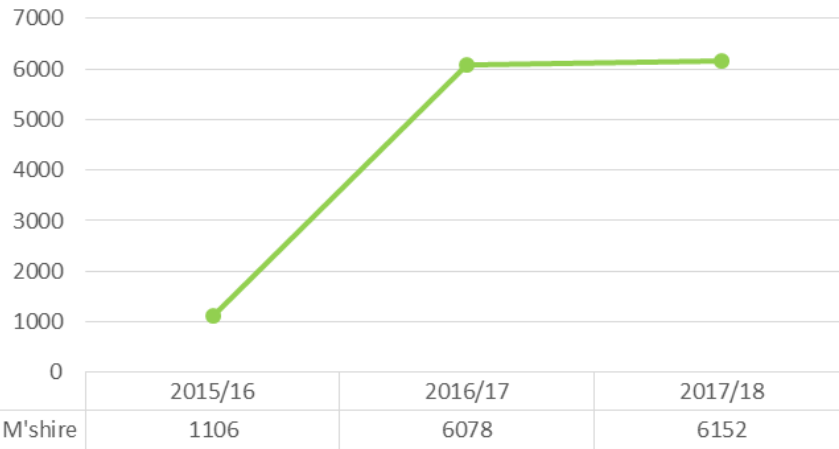
Total economic impact of tourism (£millions)



Year	2014	2015	2016	2017
M'shire	181.99	194.04	194.97	204.43

The graph shows the trend in the total economic impact of tourism in Monmouthshire

Capacity of renewable energy in the county driven by the council (kW)



The graph shows the trend in the capacity of renewable energy in the county driven by the council. The large increase in 2016/17 is due to the completion of the solar farm.

Future actions in our Corporate Plan 2017-2022

The Corporate Plan 2017/2022 includes a number of programmes of work, which the council is committed to deliver by 2022. The programmes of work identified in the corporate plan that will further progress the activity from this objective include:

Maximise the Potential of the natural and built environment

- 11) the council develops & delivers a sustainable plan for enhancing the local environment
- 12) the council produces 'green and clean' energy
- 14) the council enhances local heritage through community ownership and development of arts and cultural services.

Objective 4: Develop opportunities for communities and businesses to ensure a well-connected and thriving county

Why we chose this?

Monmouthshire is often perceived as an affluent county and many measures of the economic and labour market reflect this, although these headline measures mask some clear disparities, including wage levels available locally are low, property prices are high and many people commute out of the County to work. There are pockets of inequalities between and within communities, with factors causing poverty sometimes varying between urban and rural communities.

In order to enable the county to thrive we need to ensure there is sufficient transport infrastructure, housing and job opportunities available locally for people, particularly younger generations, to live and work in the county. We cannot do this alone and we cannot plan for Monmouthshire in isolation. We will need to work closely with private, public and third sector partners to plan for opportunities across South East Wales and beyond.

Contribution of the wellbeing objective to the wellbeing goals

Prosperous Wales
 Resilient Wales
 Healthier Wales
 More equal Wales
 Wales of cohesive communities
 Globally responsible Wales

Summary of contribution to the wellbeing goals and consideration of sustainability principle

The long-term view of this objective is clear; work needs to be done now to create opportunities for current generations, which will ensure further opportunities for the generations to come. Creating a prosperous Wales means developing a well-educated population, which is the focus of objective 1, but it also means providing employment opportunities and suitable infrastructure. This will require collaboration with local businesses and other organisations, and involvement from the local community to maximise the opportunities being presented. Considering the global wellbeing of Wales is also important and this objective integrates heavily into this goal to ensure decisions are made with future generations in mind.

What progress have we made?

Cardiff Capital Region (CCR)
City Deal & South Wales
Metro scheme

The council has approved the Cardiff Capital Region Five-Year strategic Business Plan, which has been formally approved by the members of all 10 local authority partners.

The Business Plan is the next step in achieving the long-term objectives, outlining the required actions and outcomes of the CCR City Deal, and how the 'Wider Investment Fund' will be used over the next five years to drive the actions forward. The agreement with the UK Government and Welsh Government provides £1.2 billion of which £734m is allocated to the Metro, with the balance of £495m being made available as the 'Wider Investment Fund'. This provides funding to support schemes that will stimulate the economic growth of the region.

The plan specifies the regional strategic objectives of the CCR City Deal, which are:

1. Prosperity and Opportunity - Building the capacity of individuals, households, public sector and businesses to meet challenges and grasp opportunity, creating a more productive economy
2. Inclusion and Equality - A vibrant and sustainable economy which contributes to the well-being and quality of life of the people and communities in the region now and in the future
3. Identity, Culture, Community and Sustainability - Forging a clear identity and strong reputation as a City Region for trade, innovation, and quality of life



	<p>To ensure the right investments are made to achieve significant economic growth, the CCR City Deal has set a small number of key targets. These include the creation of 25,000 new jobs by 2036, and leveraging £4 billion of private sector investment as a result of the £1.2bn public sector investment.</p> <p>The Regional Cabinet of the 10 local authorities' leaders have agreed two significant investments already. In May 2017, the Cabinet agreed to invest £37.9 million to support the development of a compound semiconductor industry cluster in the region.</p> <p>The project is expected to leverage up to £375 million of private sector investment over the next five years, and the creation of up to 2,000 high value, high-tech jobs, with the potential for hundreds more in the wider supply chain and cluster development. In January 2018, the Cabinet agreed to commit £40 million to support in principle the £180 million Metro Central Development, a project that will deliver a new central transport interchange at the heart of Cardiff's city centre Core Employment Zone.</p>
<p>Increasing the land supply for homes and businesses</p>	<p>Several key Local Development Plan policy indicator targets and monitoring outcomes relating to housing provision are not currently being achieved, including new dwelling completions and affordable dwelling completions. The latest Monmouthshire Joint Housing Land Availability Study (JHLAS) for 2017/18 demonstrates that the County had 3.9 years housing land. This is the third consecutive year that the land supply has fallen below the 5-year target.</p> <p>In March 2018, Council approved work to commence on a new Local Development Plan (LDP) for Monmouthshire. The recommendations in the report to Council ensure Monmouthshire maintains statutory Development Plan coverage to shape and manage development proposals, allows the council and our communities to review future growth options and their relationship with the pressing challenges and opportunities before us, such as our demography, affordability and availability of housing, economic growth and our role in the wider region.</p>
<p>Broadband improvements</p>	<p>There have been improvements to the number of businesses now able to access superfast broadband, which presents them with further opportunities. However over 20% of premises remain without sufficient broadband provision. The council has continued to work with Welsh Government to support access to Superfast Cymru Two and is one of two local authorities represented on the Advisory Panel. The council has also continued to promote the Access Broadband Cymru scheme for areas outside the superfast Cymru roll out area. UK Government funding is now available to give small businesses access to full</p>

	<p>fibres broadband with the potential to radically improve digital infrastructure in the county with businesses able to apply for vouchers of up to £3000 each to cover the cost of connection.</p> <p>We continue to undertake digital connectivity pilots through the Rural Development Programme and Rural Community Development Fund. For example, the TV white space project has been approved to investigate and trial a newly available broadband technology known as television “white space” in digitally deprived areas and through funding secured via the Rural Community Development Fund, digital connectivity in community hubs is being trialled by focusing on four villages within the Llanover ward.</p> <p>In March 2018, it was announced that Monmouthshire would be one of three locations to benefit from £2m for funding to trial the use of 5G technology acting as a testbed to bring world-class digital infrastructure to Monmouthshire.</p>
<p>Improvements to rural transport</p>	<p>The council commissioned a study through the Rural Development Plan to understand the dynamics of rural transport in the Vale of Usk region and to develop suitable recommendations to solve the issues uncovered. The report, completed in March 2018, identifies the challenges and opportunities for addressing transport and access and makes recommendations on potential measures to take forward.</p> <p>The council has been successful in a bid to the GovTech challenge to be allocated up to £1.25 million of Cabinet Office funding to encourage technology firms to develop and pilot solutions to isolation and limited rural transport in our communities. We will launch a competition here in Monmouthshire in July 2018 using the Small Business Research Initiative approach that our councillors explored as part of a member seminar on innovative procurement approaches. Five pots of £50,000 are being made available to firms to develop prototypes for us. The best solutions can be awarded up to £1 million to go from prototype to fully operational if it can successfully demonstrate how technology can reduce loneliness and increase peoples’ ability to travel in rural areas.</p>
<p>Attracting new industries to increase wage levels to bring people out of poverty and narrow the gender pay differential; Schemes to address rural poverty</p>	<p>Monmouthshire Business and Enterprise and Partners have continued to advise and support pre-start and existing businesses and potential inward investors. During 2017/18 advice & support has been provided to 63 businesses.</p> <p>In May 2018, Cabinet agreed the council’s Social Justice Strategy, which demonstrates the council’s commitment to address inequalities and improve outcomes for the county’s people and communities. It establishes the council’s purpose, intentions</p>

and activities for the next four years and sets targets to place social justice at the forefront of its actions. This includes programs of work related to:

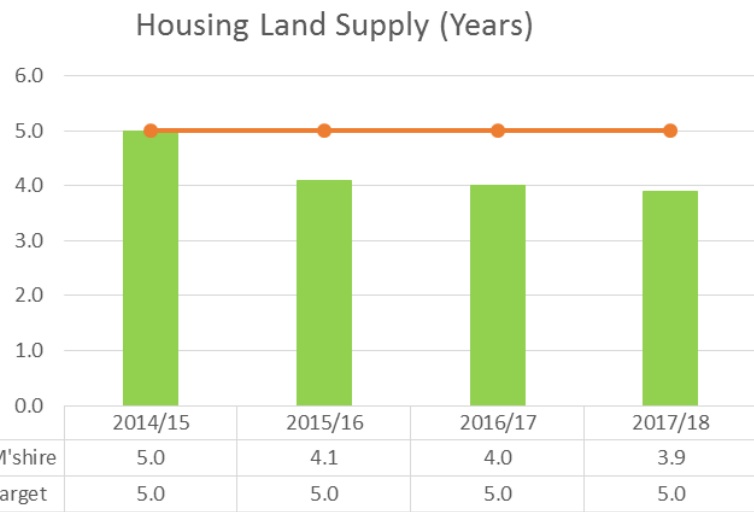
- Give Children The Best Start In Life, Overcoming Barriers to Attainment And Opportunity
- To Overcome Inequalities In Access To Economic Prosperity
- Tackle The Scourge Of Loneliness And Isolation

Included in the strategy is a commitment to work with partners to develop a Tackling Poverty Plan for the county that will take account of both worklessness and in-work poverty.

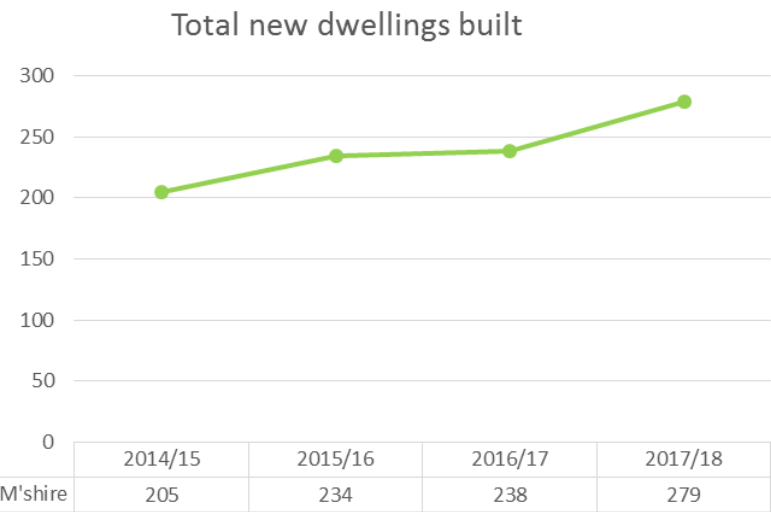
Overview

Based on the evidence above, this objective has been evaluated as a level 4 – good; important strengths with some areas for improvement

Performance Indicators progress



The graphs shows the Monmouthshire Housing land supply calculated from the Monmouthshire County Council Joint Housing Land Availability Studies undertaken.



The graph shows the total new dwelling completions that were recorded each year as part of the Monmouthshire County Council Joint Housing Land Availability Studies undertaken.

Future actions in our Corporate Plan 2017-2022

The Corporate Plan 2017/2022 includes a number of programmes of work that the council is committed to deliver by 2022. The programmes of work identified in the corporate plan that will further progress the activity from this objective include:

Thriving and well-connected county:

- 6) the council develops and delivers a new economy and enterprise strategy
- 7) the council maximises economic potential through delivering the Cardiff capital region city deal
- 8) the council delivers better infrastructure connectivity & opportunity
- 9) the council provides more opportunities for local living, working & leisure

Action we have taken to support the Objectives

To support the delivery of the well-being objectives, which focus on the outcomes that enhance the quality of life of citizens and communities, we also have to ensure all aspects of the council are working in a way that is in accordance with the sustainable development principle. We must also remain relevant and viable for the next generation, while continuing to meet the needs of residents, visitors and businesses in the here-and-now. The WFG Act specifies seven corporate functions of an organisation, where the change needs to happen. How we are starting to incorporate these changes is detailed below.

Workforce Planning

In order to align our resources to meet the goals in our Corporate Plan, we have carried out a review of our people strategy. The revised strategy builds upon the original iteration, which focused on creating the best conditions for our people to thrive. The review, entitled 'People to Purpose', seeks to update, supplement and refresh our activities and outcomes in order to enable our colleagues to deliver on our organisational purpose of "building resilient and sustainable communities". It flows from our commitment and belief that health and well-being plus skills and knowledge are key to success. We applied the five ways of working set out in the Act when developing our plan.

Workforce planning is essential in ensuring we have the right people working with us, with the right skills and knowledge. By establishing a suitable strategy now, we are working towards ensuring this well into the future, as well as for the present. We will also work with partners, where possible, to deliver new systems that are more fit for purpose and can achieve common goals, for example, a payroll/HR system. In order to increase the impact of the Act, staff training is provided on each of the goals to increase consideration and subsequent inclusion of their principles in all future planning and activity.

All of this accumulates in an overall desire to implement a preventative approach to potential organisational problems, rather than having to adopt a reactive approach. The actions established within the strategy were influenced by the views and comments received from sources such as questionnaires, regulator feedback, training sessions and staff feedback.

Work has continued and developed to establish a clear and consistent understanding of the Future Generations Act and what sustainable development is amongst the workforce and elected members. Induction training has continued every 2 months for new members of staff and training on the Act was delivered for new Councillors in June 2017.

Assets

The council's Asset Management Strategy has been reviewed to align with our purpose 'to help build sustainable and resilient communities', and has been guided by the five ways of working identified in the sustainable development principle of the Future Generations Act. The strategy outlines how we will effectively manage our land and property portfolio, and provides guidance on decisions regarding the use of land and property assets, ensuring that they support the maximisation of both financial and social value, both now and in the future.

Ensuring the long-term consideration of our asset management, the strategy supports the implementation of renewable technologies and low carbon production technologies. Utilising assets for income generation will also consider the support potential for economic and regenerative activities. Our collaborative work will continue through the development of our community hubs, which bring together integrated services into one location. We will also continue our partnership work with other organisations to build on the success achieved through facility and maintenance service collaboration with Gwent Police, and shared accommodation with Aneurin Bevan Health Board.

With regards to asset disposal, we will work with local members, community groups and other stakeholders, and will ensure feedback is provided in any Cabinet/Council reports. Where assets are surplus to the council's requirements, we will work, where possible, with local groups to undertake asset transfers to provide additional community resource. We have adopted a preventative approach to asset management by implementing a 'whole life costing' approach to refurbishments, actively seeking opportunities to upgrade mechanical and electrical infrastructure to reduce energy consumption, operating costs and carbon dioxide.

Examples of ways we are incorporating the wellbeing goals and ways of working into how we manage our assets include work we have undertaken and will be undertaking to decarbonise our estate. For example, the installation of a solar farm on one of our county farms, the use of electric vehicles by our meals on wheels vehicles and work to support the installation of electric vehicle charging points across the county. Another example is the way we manage our green spaces, which are being managed for pollinators, with fewer cuts per year and the introduction of pollinator friendly species.



Our Community Asset Transfer policy recognises that for some assets, community ownership or management could bring benefits and funding to the local community, which the council and other service providers are unable to deliver. An example of this is Caerwent Village Hall, which has been transferred to the local Community Council who are now able to apply for funding to improve the building and facilities.

Procurement

The council invests c£109m annually in external procurement activity and leveraging this spend optimally can make a key contribution to 'sustainability and resilience'. We have developed a new procurement strategy, which focusses on the way in which the council invests its annual procurement spend in order to create efficiencies, benefits and added value internally, and cultivating local supply chains, creating jobs and developing new and existing business growth for the county.

Sustainable procurement underpins the ethos of the seven well-being goals. Procurement considers the whole system and ensures money is spent in ways that deliver wider benefits and adds value. A good example of how we embrace and embed such a mind-set is through application of the circular economy principles, which aims to keep products and materials in the value chain for a longer period. As an organisation, we pledge to transition to a circular economy model, not only for products and processes, but for services and behaviours too.

When considering the long-term impact of external procurement, considerations will be made based on a 'whole life costing' philosophy, where decisions move beyond awarding contracts because of 'initial purchase price'. We will take a more balanced sustainable procurement consideration where operating costs, i.e. energy consumption and end of life decommissioning costs, both financial and environmental, factor into the awarding of contracts.

As part of our new strategy, we will work with suppliers to identify the best solutions to suit our needs, whilst improving transparency to help enable others to develop solutions to problems. Where relevant, we will work with others to replicate good practice. We will work with City Deal partners across the public, private and community sectors to help shape trials that offer solutions to some of the most difficult shared economic and environmental issues.

We will engage with businesses within our communities, to support new and innovative ideas. The procurement function will focus more on the long-term vision to identify needs, forecast change and allow the council to act proactively in preventing problems before they can arise.

As well as seeking to embed the five ways of working into the council's new procurement strategy, and ensuring that the strategy enables procurement to maximise contribution to the wellbeing goals, some specific initiatives are being developed to help deliver sustainable procurement. The council

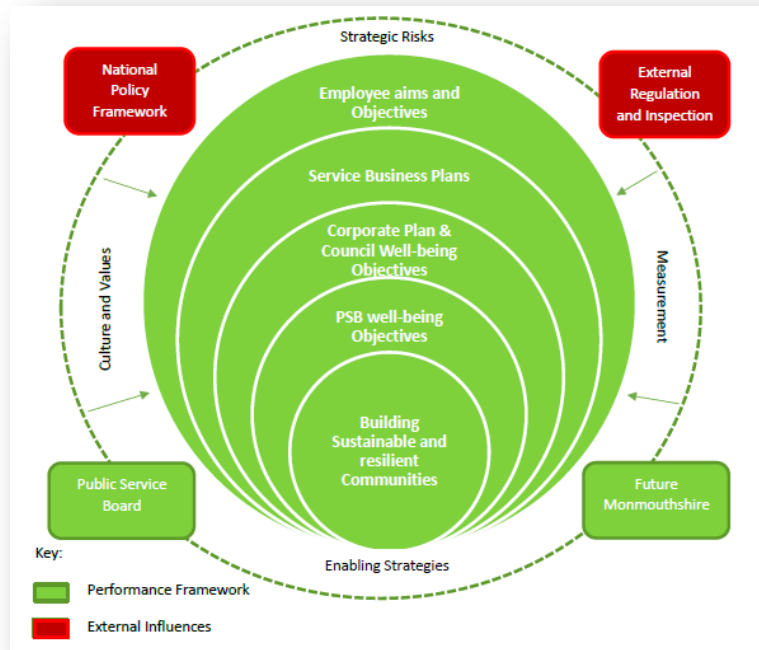


renewed its Fairtrade County status in November 2017, and hence renewed its commitment to use Fairtrade products. Work is also at the early stages of development to reduce the amount of plastic we procure and early conversations have been taking place with suppliers. More information on this is available in the What Citizens Said section.

Corporate Planning, Performance Management and Risk Management

This section provides a picture of our performance management framework; illustrates the interdependencies and how the policies, plans and programmes it contains, should be mutually reinforcing. In simple terms, our performance management framework ensures everyone is pulling in the same direction to deliver real and tangible outcomes.

Building sustainable and resilient communities is the unifying purpose of the diverse range of services for which we are responsible. We are a partner in the PSB, which is responsible for setting well-being objectives for the county. The council's own well-being objectives are set by Council based on the same well-being assessment as the PSB objectives and are also our Organisational Goals in the corporate plan. Each of our teams has a business plan that aligns to these objectives. We have a range of performance measures that we use to keep track of our progress. Our risk management policy enables us to manage strategic risks to our delivery. Our employee aims and objectives show the contributions that individual colleagues make to these objectives and delivering our vision in accordance with our values.



Performance data and information is essential to our performance framework. This comprises of nationally set performance indicators and locally set indicators that services have developed to measure the impact of their service. We are continuing to develop our use of data to strengthen how we plan and deliver services and open up our data to help solve some of our problems and improve accountability. As a result of the shift in focus of the Future generations Act, more emphasis is being placed on activities considering longer-term challenges at a community level. Our performance measurement is adjusting to this so we continue to use the right balance of short term measures and milestones on process issues and outputs, alongside longer term measurement and evaluation of outcomes against the objectives we set. This means it will sometimes take a longer time for measurable change to be evidenced and there will continue to need to be milestones that can be used to track our improvement journey.

National indicators have been set as part of the WFG Act for the purpose of measuring progress towards the achievement of the well-being goals in Wales as a whole. The indicators have been used so far to help the PSB understand economic, social, environmental and cultural well-being in the well-being

assessment. While the national indicators will not measure the performance of individual public bodies or public services boards, it is important they are considered by the PSB and where applicable, the council, to track progress being made against the well-being goals and where local level data is available the progress made in Monmouthshire. For further information on these indicators visit www.gov.wales/statistics-and-research/how-do-you-measure-nations-progress-national-indicators/?lang=en

Corporate governance sets out, coordinates and aligns organisational processes and frameworks that need to come together to deliver the council's plan. There are risks attached to this and good governance will ensure these risks are understood, managed and communicated. The council has an established risk management policy that identifies our approach to strategic risks and the appropriate management of them.

Our strategic risk assessment ensures that risks are identified and monitored; controls are appropriate and proportionate; and systematically reviewed by senior managers and elected members. The aim is to anticipate and manage risks before they come to fruition to avoid dealing with the consequences should the risk occur.

Financial Planning

Over the last four years, the council has managed £19 million of savings from its service budgets. At the same time pressures on the budget have been increasing in terms of demographic growth, demand and expectations. Our motivation is to help improve lives and built sustainable and resilient communities.

We plan our budget as part of our Medium Term Financial Plan, this identifies 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. We have worked hard to plan for more than a standalone one-year budget. As a contributor to our wider *Future Monmouthshire* work, our financial planning helps build a bridge between identifying potential cost-reductions to ensure that the organisation can balance its budget in the short term, without taking action that will hamper our ability to contribute to the WFG Act. The budget we set for 2018/19 was a blend of ongoing sustainable efficiencies; continued income generation and some focussed investment.

Applying the Future Generations Act was an important part of the budget process. A future Generations Evaluation of budget proposals was completed, explaining the impact the proposal has on the well-being goals and five ways of working, along with an equality impact assessment. The use of the evaluation provides Councillors making decisions information on the impact of decisions. Councillors have identified the need for improvement in the quality of completion of Future Generations Evaluations to inform their decision-making.

Further Actions We Have Taken to Support the Objectives

In addition to the seven core areas where change needs to happen, we have also ensured sustainable development is embedded into the following areas.

Digital

Our use of digital technology is a key enabler for future change. We will work to enable users of our services to access them in an efficient and effective way, including advancing our use of technology and digital infrastructure. We are constantly looking for new ways to utilise digital technology within our systems to ensure we are equipped for the future.

The digital strategy for the council has been reviewed and updated to increase the focus on people and the impact of digitisation on the way they live and work. It has been designed to help our Service areas transform the way they work and free them up to do the rewarding and interesting parts of their jobs. The strategy is not a static document. The nature and pace of change in a digital world will mean we need to flex it, using data and evidence to support our change in direction.

Delivery of the Digital Strategy is not just about the technical ICT infrastructure that we have in the machine rooms in our buildings. It is more about how we capture the benefits of digitisation to connect people, make work and life easier, and the efficiencies it can bring. Putting people at the heart of the Digital Strategy means that our customer's needs and business redesign comes first, and we can use technology as an enabler to make things simpler, faster and cheaper. An example is the ongoing development of the My Monmouthshire app.

Our stakeholders include our communities, local businesses, schools, suppliers and employees of the council. We also have wider stakeholders in supporting central government policy decisions for digitisation. In devising this digital and technology strategy, we have gathered evidence from all groups to support our direction of travel and to determine what is important for them in the digital world.

The council works in collaboration with its partners in the Shared Resource Service, as well as other public and private industries, to deliver technology platforms and apps.

Future Monmouthshire

Future Monmouthshire programme is about ensuring 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. The Future Monmouthshire programme has been designed to align with the principles of the Future Generations Act.

The work is being progressed in two parts. In the medium to long term, to meet the needs of future generations, we need to keep our eyes open and our heads up to adopt some of the new solutions around the UK and the wider world that could work here in Monmouthshire. We call this "keep on growing". In the short term, we still need to balance our budgets to give ourselves the thinking space to solve some of our big challenge. The "keep on going". This work will inform current and future developments of the council's well-being objectives.

Future Monmouthshire has identified a number of challenges that we need to address in order to keep going and keep growing. A new programme of training called Evolve has brought together cohorts of officers from a variety of teams to try to solve some of the challenges and propose potential solutions. Topics covered in 2017 and 2018 were Customer Services and Transport. The training embeds the principles of the Wellbeing of Future Generations Act and includes an exercise to help participants think about how to embed the ways of working when developing projects and ideas.

Governance & Scrutiny of Council Business

Good Governance is about how we ensure we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Good governance is essential for the effective use of public money and the continued delivery of efficient and effective public services. The scrutiny process is an integral part of this and ensures openness, transparency and accountability in the council's decision-making.

The council's Annual Governance Statement sets out how Monmouthshire demonstrates it has appropriate governance arrangements in place and how they are continually reviewed to strengthen them moving forward. The statement assesses the effectiveness of the council's arrangements including taking account of responsibilities under the Future Generations Act.

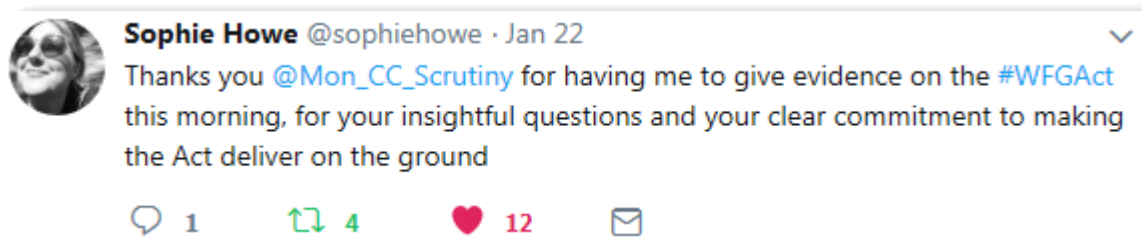
The council's scrutiny committees undertake a wide range of scrutiny of council business from ongoing work programmed items such as Revenue and Capital Financial monitoring to specific policy and programmes including the committees playing a key role in ensuring that future generations are considered through their scrutiny of policy and decision-making.

An example of the focus our scrutiny committees have on the Future Generations Act and people's needs is a report to Adults select committee presenting options for the development of a new residential home to replace the current services provided at Severn View Residential Home in Chepstow. As a result of the scrutiny, the committee concluded:

- As a committee, we are in agreement with the principle that the council should take a lead in providing a future long-term sustainable care model for Monmouthshire. Given the success of the Raglan Project, we understand the advantages of the council providing care facilities to ensure a high quality service. We recognise that our primary objective remains to support people to live independently for as long as possible, but that a range of services will be needed to support future complex care needs such as dementia, given the increasing ageing population.
- The Committee supports the recommendations of the report to progress to the next phase of a detailed business case for the Severn View Proposal, however, Members agreed the proposals should be discussed at a future member's seminar.
- The Committee concludes that there is a need for an overarching Commissioning Strategy for residential care provision, respite and other services, to outline a strategic direction for services across the county and that this should be undertaken to inform the revision of our Local Development Plan.

A PSB select committee was established in June 2016 as a bespoke scrutiny arrangement to scrutinise the activities of the PSB. The following scrutiny has already been undertaken by the committee:

- Scrutiny considered the emerging findings of the well-being assessment, the draft well-being assessment was also scrutinised and recommendations made to the PSB
- In scrutinising the final well-being assessment, key PSB Partners (National Resources Wales and Public Health Wales) and the Chair of the PSB were invited to discuss key priorities for collaborative/shared delivery.
- The PSB Select Committee scrutinised the draft well-being plan and invited the Future Generations Commissioner to a meeting to outline her expectations of the scrutiny committee.



As the PSB moves into delivery this will enable, where required, greater scrutiny of decisions, governance and of individual partners.

The details of all scrutiny meetings held are available on www.monmouthshire.gov.uk/your-council and are streamed on the council's [YouTube channel](#).

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 PSB, 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.

The PSB has approved four well-being objectives that underpin a clear purpose of building sustainable and resilient communities, these were based on the well-being assessment for Monmouthshire. The 'steps' within the plan give an indication of the work the PSB will deliver or commission. Each of the partners has assumed responsibility for exploring the steps and beginning to turn them into more specific actions, which the PSB can then prioritise.

The partnerships in Monmouthshire 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.

The council has reviewed how it supports partnership working in Monmouthshire and has established a Partnership and Community Development Team to ensure alignment between strategic intent and the work that the council does with local groups to enable a focus on building sustainable and resilient communities.

The objectives of the Community and Partnership Development Team are to act as enablers, working with our communities and partners to enable them to realise their full potential through the identification and achievement of common goals. By taking a hybrid approach using collective, asset and place based methodologies, the team will identify opportunities to improve well-being within our communities in line with delivering the PSB Objectives and the council's goals.

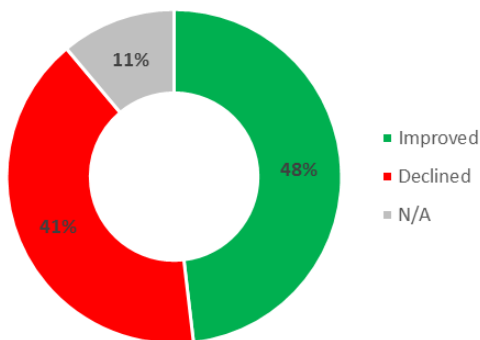
An example of the work undertaken so far includes, the development of a multi-agency approach to tackle loneliness and isolation across the life course. An evidence based approach to 'what works' and 'what we know' will be used to inform partners' thinking and unlock opportunities for a multi-agency collaborative approach to the challenges around social and emotional loneliness and isolation. This work is in the very early stages of developing a draft plan of action. Early iterations of the draft plan have been progressing through the Ageing Well Partnership, and discussions are taking place with the Integrated Youth Offer partnership to explore how we can galvanise our youth support services and wider communities to help address this issue for children & families across the county.

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).

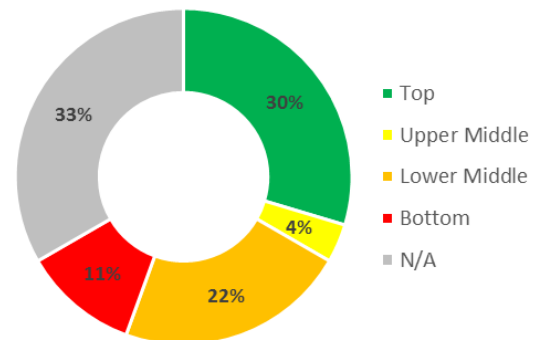
Performance

One important set of performance indicators used to measure our performance and benchmark local authority performance are 'Public Accountability Measures' published by Data Cymru. This set of indicators is evolving year on year and this makes direct comparisons between some indicators difficult and less pertinent than previous years. For indicators that have remained consistent and can be compared over time we have drawn some conclusions on our service performance, there are a number of indicators where trend or benchmarking data is not available or not directly applicable, these have been marked as "N/A". This set includes performance indicators on a range of services and it is important to consider the performance achieved against each indicator individually as well, 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

Public Accountability Measures Trend: 2017/18



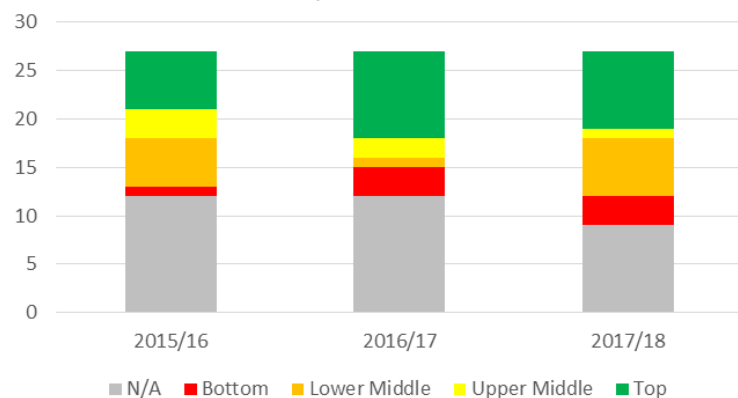
Public Accountability Measures Quartiles: 2017/18



The council has seen an improvement in performance in many published indicators, where it is possible to compare performance to previous years. The data also shows there are some services where the council's performance is lower than other areas. We keep track of these indicators regularly and are working to improve performance as part of our future plans.

One third of indicators currently have no quartile data available. Where quartile data is available to compare our performance to other Councils in Wales, 9 indicators are placed in the top/upper middle quartiles and 9 in the lower middle/bottom. A range of services are among the top performing in Wales as measured by indicators in this data set. The graph shows the quartile trend for the indicators that are available and can be compared over the last three years (2015/16 to 2017/18).

Public Accountability Measures Trend: 3 Year Quartile Trend



There are some service areas where data is yet to be published, most notably social care and finalised waste and recycling data, these will be updated as data is released over the next couple of months.

These 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 our performance, using a range of other indicators, against our priorities to allow us to fully assess what we have achieved and where we can improve. Our well-being objectives in 2017/18 give the full detail on how we evaluate our performance in our priority areas. While our Corporate Plan 2017-2022, available on www.monmouthshire.gov.uk/improvement , sets a range of indicators we will use to evaluate our future plans.

However you choose to look at our performance information we are always interested in your views. You can contact us on improvement@monmouthshire.gov.uk or tweet us @MonmouthshireCC .

Trend	Quartile	Quartile Shift	Position in Wales
Trend information highlights if performance in 2017/18 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 2017/18 is in the: Top, Upper Middle, Lower Middle or Bottom quartiles	Highlights if quartile performance in 2017/18 compared to the previous year has: improved (+ number), is unchanged (0) or declined (- number) and by how many quartiles.	Shows where Monmouthshire ranks in comparison to the other 21 local authorities in Wales, 1 being the highest and 22 being the lowest.

Table 1 – National Performance Indicators 2017/18

Ref	Measure	2015/16	2016/17	2017/18	2017/18 Target	Progress against target	Trend	2017/18 Quartile	Quartile Shift	2017/18 Wales ranking
PAM /001	Number of working days lost to sickness absence per employee	11.6	11.5	10.9	10.8	Missed	Improved	Lower Middle	1	15
PAM /006	Percentage of Year 11 pupils achieving 5 GCSEs at grades A*-C, or equivalent, including English or Welsh first language and Maths	66.9	67.0	67.0	69.6	Missed	N/A	Top	0	1
PAM /007	Percentage of pupil attendance in primary schools	95.8	95.7	95.6	96.1	Missed	Declined	Top	0	1
PAM /008	Percentage of pupil attendance in secondary schools	94.8	94.8	95.2	95.0	Met	Improved	Top	0	2
PAM /009	Percentage of Year 11 leavers not in education, training or employment (NEET)	1.9	2	1.4	N/A	N/A	Improved	Lower Middle	N/A	12

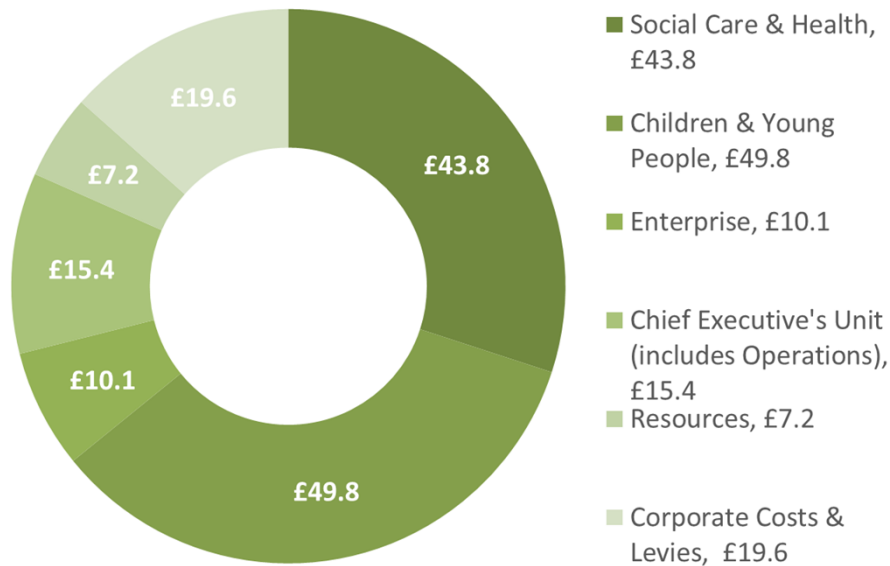
Ref	Measure	2015/16	2016/17	2017/18	2017/18 Target	Progress against target	Trend	2017/18 Quartile	Quartile Shift	2017/18 Wales ranking
PAM /010	Percentage of streets that are clean	99.1	99.2	97.7	95	Met	Declined	Top	0	6
PAM /011	Percentage of fly tipping incidents cleared in 5 days	96.68	98.28	93.81	98.5	Missed	Declined	Bottom	-3	18
PAM /012	Percentage of households successfully prevented from becoming homeless	64	58	61	70	Missed	Improved	Lower Middle	N/A	15
PAM /013	Percentage of empty private properties brought back into use	14.18	3.88	3.57	5	Missed	Declined	Lower Middle	N/A	14
PAM /014	Number of new homes created as a result of bringing empty properties back into use	n/a	n/a	0	Not set	N/A	N/A	N/A	N/A	N/A
PAM /015	Average number of calendar days taken to deliver a Disabled Facilities Grant (DFG)	251	356	193	180	Missed	Improved	Upper Middle	2	9
PAM /016	Number of library visits per 1,000 population	7,478	7,262	6,016	7,216	Missed	Declined	Top	0	3
PAM /017	Number of visits to leisure centres per 1,000 population	8,205	7,425	7,376	6,600	Met	Declined	Bottom	0	19
PAM /018	Percentage of all planning applications determined in time	79	90	91	80	Met	Improved	Top	N/A	6
PAM /019	Percentage of planning appeals dismissed	71	73	36	70	Missed	Declined	Bottom	N/A	22
PAM /020	Percentage of A roads in poor condition	2.3	2.1	2.4	3	Met	Declined	Top	0	3
PAM /021	Percentage of B roads in poor condition	5.1	4.3	4.9	5	Met	Declined	Lower Middle	0	14

Ref	Measure	2015/16	2016/17	2017/18	2017/18 Target	Progress against target	Trend	2017/18 Quartile	Quartile Shift	2017/18 Wales ranking
PAM /022	Percentage of C roads in poor condition	12.3	8	7.7	15	Met	Improved	Lower Middle	-1	12
PAM /023	Percentage of food establishments that meet food hygiene standards	93.8	95.12	97.05	95.5	Met	Improved	Top	1	6
PAM /024	Percentage of adults satisfied with their care and support	N/A	85.4	85.7	Not set	N/A	Improved	N/A	N/A	N/A
PAM /025	Rate of people kept in hospital while waiting for social care per 1,000 population aged 75+	N/A	2.24	4.28	2.19	Missed	Declined	N/A	N/A	N/A
PAM /026	Percentage of carers that feel supported	N/A	63.6	76.9	Not set	N/A	Improved	N/A	N/A	N/A
PAM /027	Percentage of children satisfied with their care and support	N/A	79.2	84.1	Not set	N/A	Improved	N/A	N/A	N/A
PAM /028	Percentage of child assessments completed in time	N/A	74.69	87.31	90	Missed	Improved	N/A	N/A	N/A
PAM /029	Percentage of children in care who had to move 3 or more times	N/A	5.26	Not Available	6.5	N/A	N/A	N/A	N/A	N/A
PAM /030	Percentage of waste reused, recycled or composted	61.87	68.72	65.77 (Provisional)	64	Met	Declined	N/A	N/A	N/A
PAM /031	Percentage of waste sent to landfill	13.15	0.85	0.32 (Provisional)	2	Met	Improved	N/A	N/A	N/A

Finance

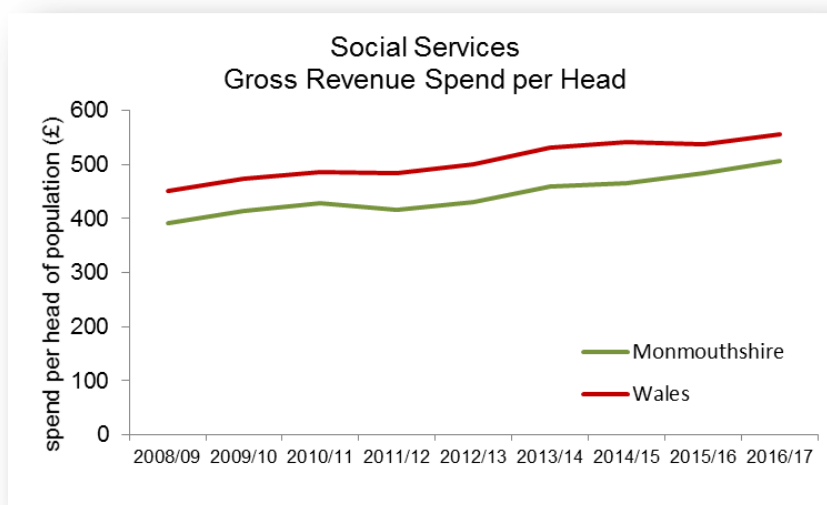
In 2017/18, the council spent £146 million providing services for Monmouthshire residents. The proportion of our spending on different services in 2017/18 is shown in the chart below. These services are paid for by a combination of central government grants, council tax, non-domestic rates and a contribution from the council Fund.

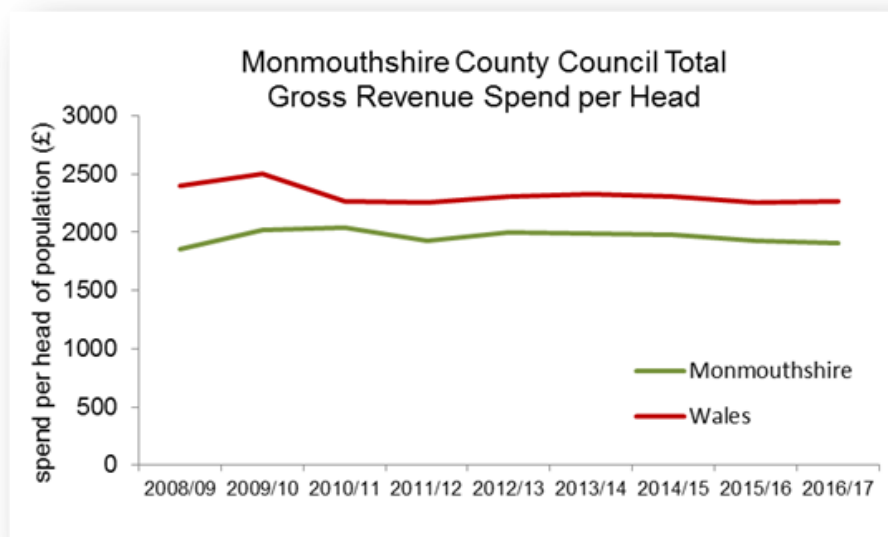
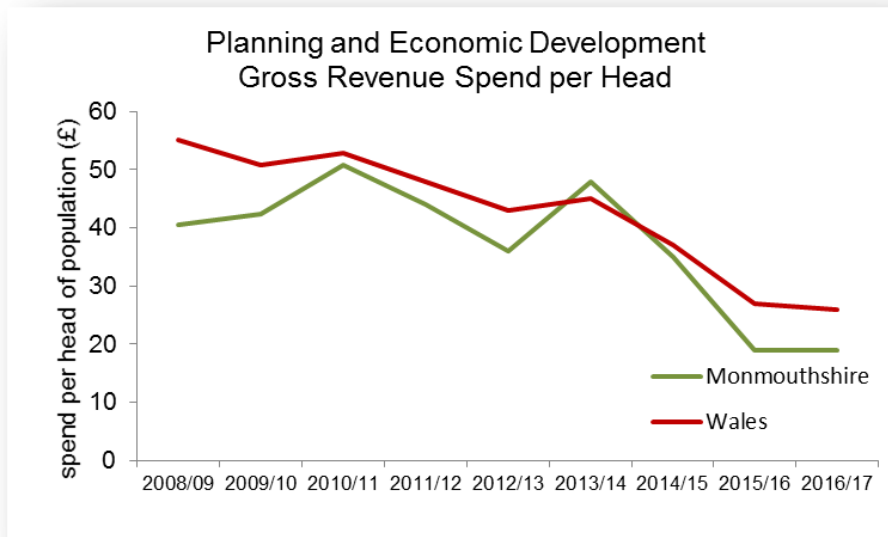
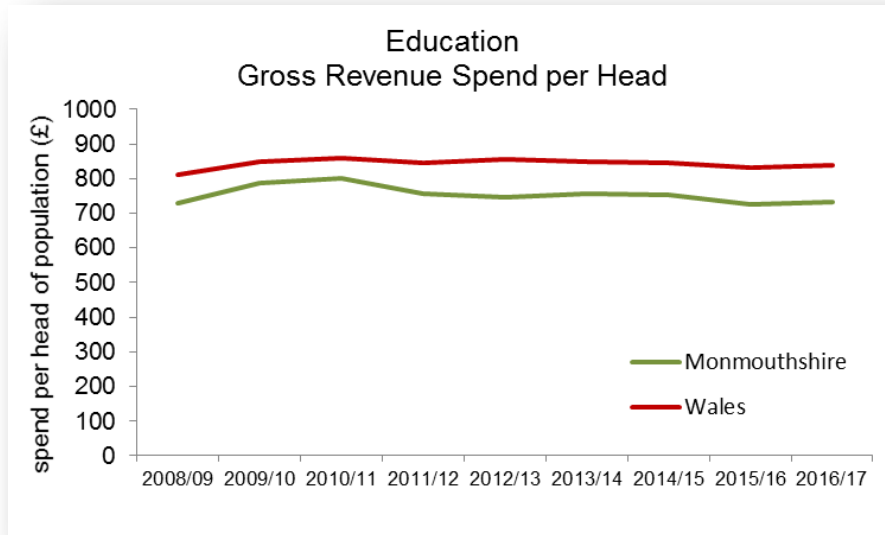
2017/18 revenue spend (£million)



How our revenue spend compares with other areas

The diagrams below show how much we spend per head of population in some of our priority areas. Our budget settlement from Welsh Government was the lowest per capita of councils in Wales. 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 2016/17 at time of publication.





What our regulators said

Close working with regulators and inspectors to quality assure our activities is vital to ensuring improvement. We use their assessments to help us focus on the things we need to improve across the council.

Each year, the Wales Audit Office (WAO) reports on how well councils are planning improvement in delivering their services. This is published as part of an Annual Improvement Report (AIR). The Annual Improvement report related to 2017/18 was published in August 2018 and summarises the audit work undertaken by WAO since the last report. The report concludes the council is meeting its statutory requirements in relation to continuous improvement and states:

“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 2018-19.”

During 2017/18 a number of performance audits have been completed by WAO including reviews of information management and Asset Management. The reports detailing the findings of these Audits have been reported to the council’s audit committee. WAO have also completed a review on ‘Scrutiny: Fit for the Future?’ and a Whole Authority review of children’s safeguarding. The final reports on these reviews will be reported to the council’s Audit Committee and Children and young People Select Committee respectively.

The most recent update on the authority’s progress against all Wales Audit Office (WAO) proposals for improvement issued that the council still needs to address was in [February 2018](#).

Further reports produced by Wales Audit Office are available to download on the Wales Audit Office website (www.audit.wales/publications). This will include local government national reports produced by WAO.

Inspection reports about education and social services are produced by specialist regulators Estyn (www.estyn.gov.wales/) and Care Inspectorate Wales (CIW) (www.careinspectorate.wales). Their latest reports are available to download online.

Future Generations Commissioner for Wales

We continue to work closely with the Future Generations Commissioner and her officer to inform how we apply the “five ways of working” in our work and work towards the seven national goals.

The general duty of the Future Generations Commissioner for Wales is to promote the sustainable development principle (the five ways of working), in particular to act as a guardian of the ability of future generations to meet their needs, and encourage public bodies to take greater account of the long-term impact of the things that they do. To do this the Commissioner can monitor and assess the extent to which well-being objectives set by public bodies are being met.

The Commissioner can:

- Provide advice to Public Bodies and Public Services Boards

- Carry out reviews into how public bodies are taking account of the long-term impact of their decisions
- Make recommendations following a review

The Commissioner will also have regard to any examination carried out by the Auditor General for Wales under their specific duty related to the act.

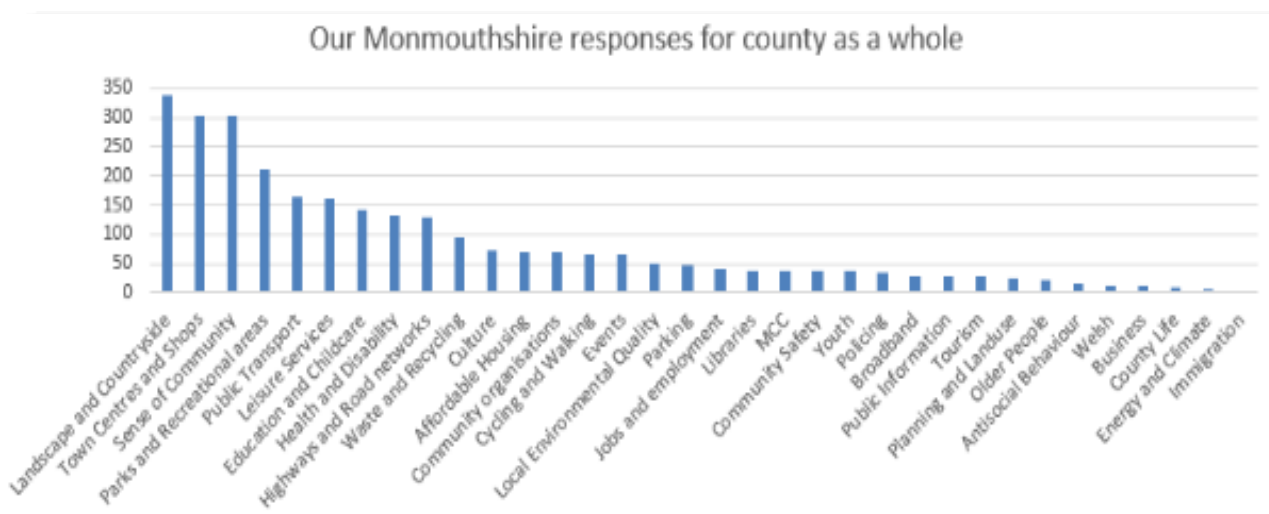
In May 2018 the Future Generations Commissioner published a report '*Well-being in Wales: the journey so far*', which was written in parallel to '*Reflecting on year one: How have public bodies responded to the Well-being of Future Generations (Wales) Act 2015*,' a report published by the Auditor General for Wales. Both reports are a reflection of how the WFG Act (Wales) Act has been adopted in the last year and the Commissioner's report sets out how public bodies should improve how they demonstrate they are taking effective steps to meet their objectives. The report sets nine expectations the Commissioner would like public bodies to consider in their annual reports on progress during 2017/18, which has significantly informed the information we have included in this report.

Further information on the role and work of the Future Generations Commissioner for Wales is available on www.futuregenerations.wales/

What Citizens Said

Engagement

Between August and December 2016, the PSB in Monmouthshire attended over 80 events, speaking to more than a thousand people as part of the “Our Monmouthshire” engagement process. We asked two questions: ‘What is good about where you live?’ and ‘What could make it even better?’ The following chart shows the number of comments by theme for the county as a whole. This helped us to understand the issues that matter most to people in Monmouthshire. This information, combined with data, statistics and research, assisted the PSB in producing their well-being assessment. The well-being assessment in turn, informed the council’s well-being objectives, with further consideration given to the assessment in future reviews of the objectives.



Happiness Pulse

The five PSBs within Gwent region have jointly agreed to use the Happy Communities tools in order to better measure, understand and improve the well-being of their populations. Happy Communities provides two tools: the Happy Communities Index (now called Thriving Places Index in Wales), which measures the local conditions for community well-being and the Happiness Pulse survey, which is a measure of personal well-being.

The Index draws on a number of indicators from various sources to understand and assess the local determinants of well-being and where to target interventions to create the conditions for people to thrive. Data Cymru published their first release of the Thriving Places Wales Index in April 2018. www.thrivingplaces.wales/

The Scores within Thriving Places Wales are shown at a local authority area level, however they do not measure the success, or otherwise, of individual organisations because the measures used in Thriving Places Wales cover such a wide range of issues.

The Happiness Pulse measures personal well-being in communities through a resident survey. The survey provides a well-being score for people who completed the survey under three areas, Be, Do and Connect, and helps people understand how to improve their well-being. The survey was carried out across the five Gwent PSB areas in January and February 2018 and was launched with the 'beating the blues' campaign.

In Monmouthshire, over a 1000 resident and 400 Monmouthshire County Council staff responses were collected. An analysis of the results is being completed to evaluate well-being within Monmouthshire and supplement information from the Thriving Places index. This analysis will then be used to inform local decision making.

Plastic free council

A good example of the council responding to what citizens have told us is the work now being undertaken to reduce single-use plastics. There has been a huge increase in interest in reducing the use of single-use plastics in the last few months, not least because of the shocking scenes of plastic contamination in our oceans shown on the BBC's Blue Planet series. This has led to the emergence of active and enthusiastic Plastic Free community groups in Abergavenny, Chepstow, Monmouth and Usk in the early months of 2018.

These groups attended the council's Strong Communities Select Committee on the 24th May 2018 where they ably presented the case for reducing single use plastics and outlined the work they are doing in their own towns. As a result of their presentations, the committee recommended that the Council work towards becoming a 'plastic free county' through reducing single use plastics, in line with the Plastic Free Coastline campaign run by Surfers Against Sewage. This was endorsed by County Council in June 2018. This fits well with work the council is already beginning to undertake to reduce plastic waste. This is a good example of citizens working hard at a local level on an important issue, and the council responding to pressure from those groups in order that we can work together in partnership to make a difference.



Feedback

We are always interested to know what you think about our services and our well-being objectives that we have written about in this plan. You can complete this form and return it to us via e-mail or post. However we're interested in all views however you wish to supply them. Details of how to get in touch are at the bottom of the page.

1. Do you agree the well-being objectives have identified were right areas for us to focus on?


	Yes	No	Don't know	Comments
Well-being objective 1				
Well-being objective 2				
Well-being objective 3				
Well-being objective 4				

2. Is there anything else that you think should be a well-being objective in the future? Please tell us here.

3. We're interested to know what you thought of our plan. Please let us know:

	Yes	No	Comments
Was it easy to understand?			
Was the content informative?			

 improvement@monmouthshire.gov.uk

 Matthew Gatehouse, Head of Policy and Governance, Monmouthshire County Council, County Hall, Usk, NP15 1GA

 @MonmouthshireCC

Appendix 1 – Further areas that informed the 2017/18 Well-being Objectives

The table demonstrates how each of the four well-being objectives contribute to the national well-being goals. The bold colours indicate a direct contribution to achievement of the goal and pale colours indicate where there will be a less direct contribution. Every goal is directly contributed to by at least two of the objectives.

	Contribution of Well-being Objectives to Well-being Goals						
	Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	vibrant culture and thriving Welsh Language	Globally responsible Wales
Well-being Objectives							
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							

Improvement Objectives

The council is still required under the Local Government (Wales) Measure 2009 to set annual Improvement Objectives and produce an improvement plan. In order to deliver sustainable development the council recognised that the setting of wellbeing objectives needed to be at the heart of the council's improvement framework and therefore the two requirements were combined when setting the 2017/18 well-being objectives.

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 support 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 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 have subsequently be identified and developed into a regional area plans in 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 Diversity

The council has a long-standing commitment to equality and diversity and under the Equality Act 2010, has to produce a Strategic Equality Plan. A second plan was published in April 2016 and sets the council's objectives to ensure we deliver better outcomes for people with protected characteristics: race, disability, sex, sexual orientation, gender re-assignment, marriage and civil partnership, pregnancy and maternity and age. This is clearly aligned with the well-being goals set by Welsh Government, but above all, it is important to us as it is the right thing to do.

The Welsh Language

The authority recognises that Welsh language is central to the goals introduced as part of the WFG Act, particularly for our contribution to a Wales of vibrant culture and thriving Welsh language. It also helps Welsh Government reach the target of having a million Welsh speakers by 2050 (Wales 2050).

The Welsh Language (Wales) Measure 2011, and accompanying Welsh Language standards, place a legal duty on councils to promote the Welsh Language and provide services to the public through the medium of Welsh. The council has been allocated 175 standards that we are required to comply with.

This is a significant challenge but systems have been put in place in divisions to ensure compliance. One of the Standards set was to write a Welsh Language Strategy for 2017 – 2022, which sets out a vision of how Welsh language will look in Monmouthshire in 5 years, and is accompanied by targets to help achieve that vision. In 2012, Welsh Government produced a new strategy known as “More than words”. This requires us, as a care provider, to ask people whether they want services through the medium of Welsh (known as the “Active Offer”).

Other important requirements

The Future Generations Act sets out a number of further areas took account of when setting the well-being objectives, these included:

United Nations Convention on the Rights of the Child - which sets out the civil, political, economic, social and cultural rights of children.

Poverty - The well-being assessment identifies there is inequality between communities and within communities in Monmouthshire.

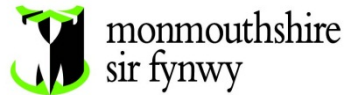
Biodiversity and resilience of ecosystems duty - Section 6 of the Environment (Wales) Act 2016 places a duty on public authorities to seek to maintain and enhance biodiversity where it is within the proper exercise of their functions.

Appendix 2 - Glossary

We try to avoid the use of jargon. However we recognise that we sometimes use these when they are commonly used in the media or are likely to be understood by informed readers. Some of those that crop up in this plan are listed below:

CIW	Care Inspectorate Wales who register, inspect and take action to improve the quality and safety of services for the well-being of the people of Wales
Estyn	Inspectorate for Education and Training in Wales who inspect quality and standards in education and training in Wales.
PSB	Public Service Board. This is a group of the main public sector service providers in Monmouthshire
WAO	Wales Audit Office. They are responsible for overseeing how public money is spent and are the council's regulators

Please let us know what you think of this plan and whether it is clearly written by e-mailing us improvement@monmouthshire.gov.uk or writing to Matthew Gatehouse, Policy and Performance Manager, Monmouthshire County Council, County Hall, Usk, NP15 1GA.



SUBJECT: Abergavenny Town Hall Refurbishment
MEETING: County Council
DATE: 20th September 2018
DIVISION/WARDS AFFECTED: All

1. PURPOSE:

To seek agreement to proceed with the Abergavenny Town Hall refurbishment proposals to enable the facilitation of a community hub and undertake improvements to the Borough Theatre.

2. RECOMMENDATIONS:

- 2.1** That Council agrees to proceed with the Abergavenny Town Hall refurbishment scheme utilising the capital funding already allocated within the Capital Programme.
- 2.2** That decisions relating to the management of the scheme and award of any contracts are delegated to the Cabinet Member for Resources and Chief Officer, Resources.

3. KEY ISSUES:

- 3.1** Members agreed in September 2016 to ring fence a budget of £2,283,000 to the provision of a hub in Abergavenny which was the residual sum remaining from the replacement library capital budget and this figure has been subsequently included within the Councils Capital Programme.
- 3.2** Following this decision a design team has been appointed through a Sell2Wales procurement process, which is led by GWP architecture. They undertook a review of the indicative proposals for the hub and have produced a revised design that has regard to the listed nature of the building, the competing uses, the need to improve accessibility and broaden its flexibility and improve energy performance.

- 3.3** The final design proposes the creation of a 6m extension at first floor level and internal alterations to create a flexible hub space. In addition a new mayor’s parlour will be provided on the first floor and a town clerk’s office on the ground floor. A new passenger lift at the front of the building will facilitate access to all levels of the building, including the theatre. The existing theatre air conditioning unit will be re-located to the roof and the market space will be re-configured and improved. The hub will also continue to operate on the ground floor within the existing one stop shop floor area to provide a service for
- 3.4** The Arts Council for Wales have been working with Officers regarding the possibility of grant funding improvements to the theatre space on the basis of a 75% intervention rate. These improvements will include re-provisioned seating and improvements to the internal configuration. It is proposed that £80,000 of the existing budget is ring-fenced as this Council’s match funding to lever in the grant funding thereby providing wider benefits beyond the hub provision.
- 3.5** The market hall will be re-configured to accommodate the mezzanine structure and improve the existing layout and infrastructure for the benefit of traders and users alike.

4. OPTIONS APPRAISAL

Option	Benefits	Risks	Comments
Do nothing	<ul style="list-style-type: none"> No capital expenditure required which would release the funding for other projects 	<ul style="list-style-type: none"> Revenue savings would not be met Abergavenny would continue to have an inferior service Would need to incur capital expenditure repairing the existing library building 	We are not in a position where we can do nothing as this would be the most inefficient option, would continue to provide operating difficulties and provide an inferior service to the community.
Re-furbish the Town Hall to provide a new hub facility	<ul style="list-style-type: none"> Will be able to deliver a hub service to Abergavenny Will enable the provision of a lift within the Town Hall to improve accessibility 	<ul style="list-style-type: none"> Capital cannot be utilised on other Council priorities Period of disruption whilst the works are undertaken 	This proposal will honour a commitment made to provide an improved library service to the community through the

Option	Benefits	Risks	Comments
	<ul style="list-style-type: none"> • The works are upgrading the energy infrastructure to improve efficiency. • The theatre will benefit from improvements • The market service will benefit from improvements 	<ul style="list-style-type: none"> • Abergavenny Town Council will lose its council chamber and instead share the new space for council meetings. • The works will impact on a grade II listed building. 	creation of a new hub service and increased floor space, which will in turn provide the forecast revenue savings.
Re-locate the hub service to a different venue	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • We previously considered the acquisition of the former Richards building, but this was discounted due to cost issues and the communities wish to focus activity within the Town Hall. • The existing library does not have sufficient floor space, is in need of works and does not meet accessibility criteria. 	This alternative was considered in the last report and it was agreed by Council that the hub would be sited within the Town Hall to consolidate its community value, improve accessibility and provide a focal point to draw footfall from the new Morrison's development and into the town centre. It is not recommended that this option is progressed.

5. EVALUATION CRITERIA

An evaluation assessment has been included in Appendix 1 for future evaluation of whether the decision has been successfully implemented

6. REASONS:

6.1 In March 2015 it was agreed that as a result of the implementation of the hubs, £300,000 of ongoing savings would result through reduced staffing and operating costs. Abergavenny is currently running stand alone dual provisions and is therefore unable to achieve their apportioned element of the revenue savings without the development of an integrated team in a single venue.

- 6.2 The Friends of Abergavenny Library have repeatedly expressed their concern over the inequality of the floor space provision within the Baker Street library compared to the facilities in other towns. Operationally the space is difficult to manage and is no longer fit for purpose.

	Catchment (2011 census figures)	Floor space m ²	Floor space ft ²
Abergavenny Library	15,200	222	2,340
Abergavenny OSS		147	1,582
Caldicot Hub	19,000	426	4,585
Chepstow Hub	12,350	466	5,016
Monmouth Hub	10,100	302	3,251
Usk Hub	2,800	238	2,562

- 6.3 The community is expressing concern that Abergavenny is lagging behind the other Monmouthshire communities where the hubs have now been operating since October 2015.
- 6.4 The design proposals have been the subject of consultation with key stakeholders including CADW and Abergavenny Town Council and the designs have been amended to accommodate requirements where possible.
- 6.5 It is intended that the works will be phased to maintain access to the services wherever possible, there will however be periods of disruption and closures to facilitate works such as the lift installation. We are working with GWP and their design team to minimise disruption and will ensure effective communication with service providers.

7. RESOURCE IMPLICATIONS:

- 7.1 At its meeting in September 2016, County Council agreed to ring fence the remaining replacement library budget of £2,283,000 to the Abergavenny Hub proposals and also authorised expenditure to be incurred in finalising the designs. The budget remaining within the Capital Programme is £2,168,204.
- 7.2 The proposed works are subject to a tender exercise, however the indicative cost funding envelope is estimated to be £2,100,000, to include the market hall works. The contribution required to match fund the Arts Council grant is expected to be £80,000 and it is intended that this will be funded by this programme. Following the receipt of tenders

the anticipated shortfall in funding of circa £12,000 will be met through value engineering.

6. FUTURE GENERATIONS AND EQUALITY IMPLICATIONS:

- 6.1 The evaluation demonstrates that the proposals have considered the well being principles and contribute positively to improving long term outcomes.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

None

8. BACKGROUND PAPERS:

.None

9. AUTHORS:

Debra Hill-Howells Head of Commercial and Integrated
Landlord Services

Debrahill-howells@monmouthshire.gov.uk

Appendix 1 – Evaluation Criteria

Title of Report:	Abergavenny Town Hall Refurbishment
Date decision was made:	20th September 2018
Report Author:	Debra Hill-Howells

What will happen as a result of this decision being approved by Cabinet or Council?

It is intended that a physical refurbishment scheme will be undertaken that will improve access to the building, the creation of a hub space at first floor level and improvements to the theatre and market hall spaces.

Was the desired outcome achieved? What has changed as a result of the decision? Have things improved overall as a result of the decision being taken?

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?

User feedback, delivery within budgets, drawdown of a grant from Arts Council for Wales and footfall.

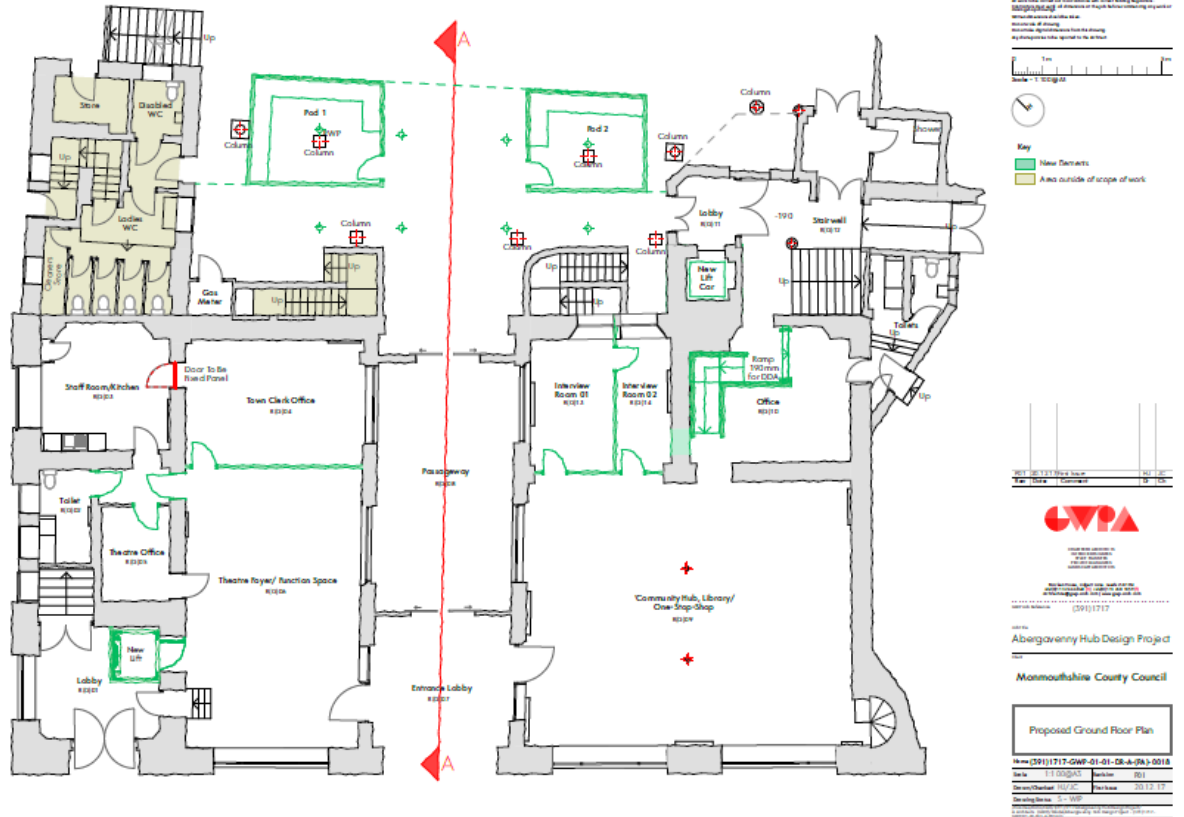
Paint a picture of what has happened since the decision was implemented. Give an overview of how you fared against the criteria. What worked well, what didn't work well. The reasons why you might not have achieved the desired level of outcome. Detail the positive outcomes as a direct result of the decision. If something didn't work, why didn't it work and how has that effected implementation.

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?

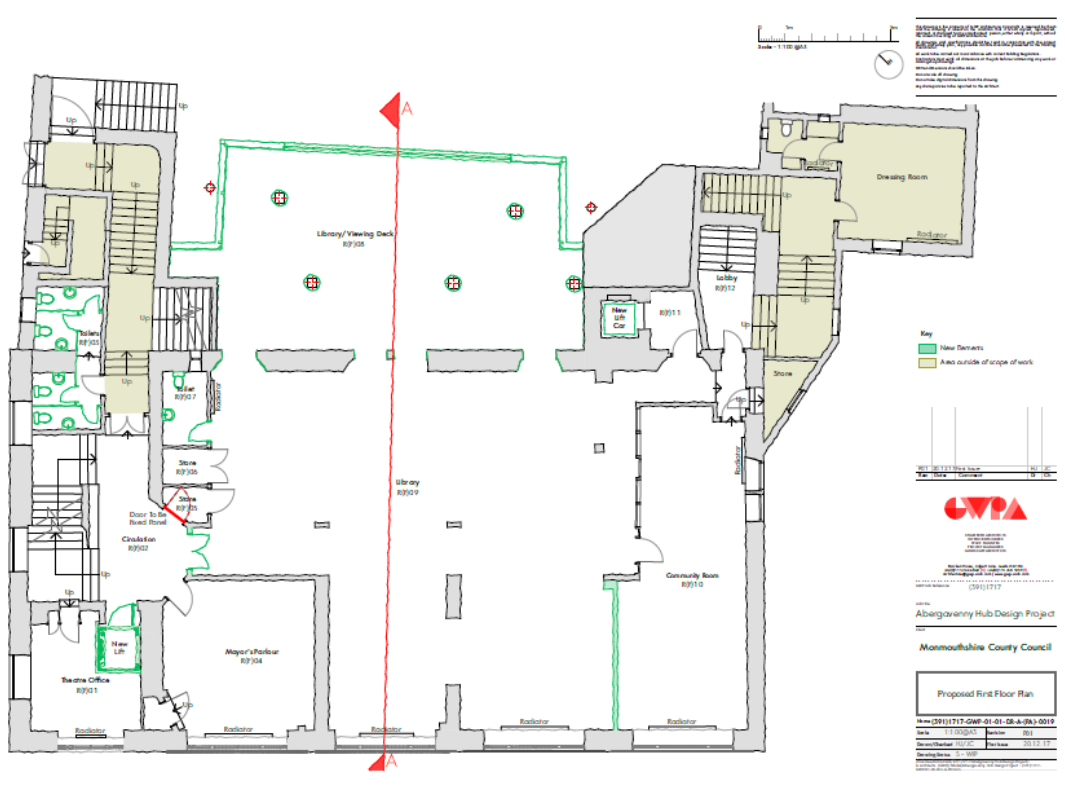
£2,168,000 capital cost. Annualised revenue savings of £300,00k for the hubs service

Give an overview of whether the decision was implemented within the budget set out in the report or whether the desired amount of savings was realised. If not, give a brief overview of the reasons why and what the actual costs/savings were.

Appendix 2 – Proposed floorplans – Ground Floor



First Floor



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Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer completing the evaluation Debra Hill-Howells</p> <p>Phone no: 01633 644281 E-mail: debrahill-howells@monmouthshire.gov.uk</p>	<p>Proposal Name: Proposed refurbishment of Abergavenny Town Hall to provide a new hub facility and improved disabled access</p>
	<p>Please give a brief description of the aims of the proposal</p> <p>To provide an integrated hub solution in line with the other towns and provide a new lift and improvements to the theatre and market hall</p>
<p>Name of Service</p> <p>Commercial and Integrated Landlord Services</p>	<p>Date Future Generations Evaluation form completed</p> <p>August 2016, amended September 2018</p>

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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



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	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 prosperous Wales	The hub will consolidate the service from 2 venues into one and provide an opportunity for other	Partner agencies will have the opportunity to provide workshops etc from the venue to improve

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?
Efficient use of resources, skilled, educated people, generates wealth, provides jobs	partners e.g. Gwent Police to operate from the same base.	the service offer for citizens. The design of the space will enable more flexibility with the space and the ability to utilize the accommodation outside of operating hours.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Neutral	
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The hub service signposts to other support organisations, can provide specialist support and access to community learning classes to support life long learning.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Consolidating the hub service within the Town Hall reinforces the local civic role as well as community functions that are delivered in a single, central strategic location. Improving accessibility through the provision of a new passenger lift improves access to the theatre and the other services offered within the building.	
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Centralising services will help offset our service carbon footprint and improvements to the energy infrastructure within the building will help reduce energy consumption.	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People	Improvements to the theatre, the creation of a hub and the passenger lift will improve access and participation in cultural events. The hub service can be provided through the medium of welsh.	

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?
are encouraged to do sport, art and recreation		
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The improvements to the building will remove the existing barriers to entry and provide a venue and service that will support users in maximizing their potential.	

2. 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>Long Term</p>	<p>The hubs model has been developed to ensure the provision of library and information services in a sustainable way both in the short and long term. The spaces are flexible and able to accommodate additional services whilst minimising operating footprints and costs.</p>	
 <p>Working together with other partners to deliver objectives</p> <p>Collaboration</p>	<p>The Town hall accommodates a number of different service providers and it is intended that this will continue through the hub provision. Gwent Police already operate through the one stop shop and it is intended that this will continue in the new facility. Stakeholders have been consulted on the final designs.</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>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Stakeholders have been consulted on the designs and amendments made where possible to accommodate their specific needs.</p>	<p>Given the listed status and the competing service demands compromises have had to be reached on floor space requirements in the long term and there will be short term disruption whilst the works are undertaken.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The hubs are designed to provide support and advice for all sectors of the community for general enquiries or at times of crisis. Providing the hub allows the team to be integrated and a more coherent approach provided to the community in common with the other towns who already have the benefit of a hub service. One point of access streamlines the service to the user and allows us to provide a better service.</p>	
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The proposal has had regard to all of the competing and sometimes conflicting needs and demands and the outcome is a design that seeks to maximize flexibility, operating efficiencies as well as user experiences.</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			
Disability			
Gender reassignment	Neutral Impact	Neutral Impact	
Marriage or civil partnership	Neutral Impact	Neutral Impact	
Pregnancy or maternity	Neutral Impact	Neutral Impact	
Race	Neutral Impact	Neutral Impact	
Religion or Belief	Neutral Impact	Neutral Impact	
Sex	Neutral Impact	Neutral Impact	
Sexual Orientation	Neutral Impact	Neutral Impact	
Welsh Language	Neutral Impact	Neutral Impact	

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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 <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	Neutral Impact	Neutral Impact	
Corporate Parenting	Neutral Impact	Neutral Impact	

5. What evidence and data has informed the development of your proposal?

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- Initial designs produced by DCA
- Final designs produced by GWP architecture
- Consultation with stakeholder groups: Abergavenny Town Council, Theatre and Hub staff, CAIR, Team Abergavenny, Market Service, CADW, Local Planning Authority & Building Control

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 proposal is an example of collaborative working with public sector bodies in order to reduce costs and support the local economy through public sector spend.

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
---------------------------------	-------------------------------------	---------------------------	-----------------

Tendering the schemes.	Commenced	Design Team / DHH	
Working with Art Council for Wales	Commenced	Head of Enterprise & Community Development	

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:	
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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
1	County Council	22.09.2016	
2	County Council	20.09.18	

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SUBJECT: ADDRESSING OUR LACK OF A FIVE YEAR HOUSING LAND SUPPLY: MONMOUTHSHIRE'S APPROACH TO UNALLOCATED HOUSING SITES

MEETING: COUNCIL

DATE: 20 SEPTEMBER 2018

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 The purpose of this report is seek Council's decision on its approach to tackling its housing land supply shortfall, specifically how we deal with planning applications for unallocated sites in advance of the new Local Development Plan being adopted in December 2021. This decision relates to the Monmouthshire Local Planning Authority area only: it does not affect that part of the county falling within the Brecon Beacons National Park.

2. RECOMMENDATION:

- 2.1 That, when considering planning applications for residential development on unallocated sites, the Council continues to give 'considerable weight' to its lack of a five year housing land supply, insofar as those development proposals are otherwise acceptable in planning terms and that the 'ground rules' set out in paragraph 5.17 are met.

3. KEY ISSUES:

Background

- 3.1 The land use planning system is one of the main tools available to the Council to seek to deliver its purpose, as identified in the Corporate Plan 2018-2022, of helping to build sustainable and resilient communities that support the well-being of current and future generations. The Local Development Plan (LDP) allocates land for types of development (such as housing or employment uses), designates land as open space or green wedge, and provides a policy framework which provides the basis for making decisions on planning applications. It seeks to support good quality development in the right locations, and resist poor quality or inappropriately located development.
- 3.2 The Monmouthshire Local Development Plan (2011-2021) was adopted in February 2014 to become the statutory development plan for the county (excluding that part within the Brecon Beacons National Park, which has its own LDP). Work has commenced on our new LDP which will run to 2033. The agreed timetable will see the new Plan being adopted at the very end of 2021.
- 3.3 The basis of the planning system is that it is Plan-led. Section 38(6) of the Planning and Compulsory Purchase Act 2004 states that all planning applications shall be determined in accordance with the adopted LDP unless material planning considerations indicate otherwise. One of those material considerations is our housing land supply.
- 3.4 Welsh Government sets out national planning policy in Planning Policy Wales and the accompanying Technical Advice Notes (TANs). TAN1 relates to housing land supply and it provides a consistent way of measuring how much housing land each Local

Planning Authority (LPA) has. LPAs are required to have **at least** a 5 year housing land supply. Monmouthshire currently has a 3.9 year housing land supply (it was 4.0 years' supply last year and 4.1 years' supply the year before).

3.5 Until July 2018, paragraph 6.2 of TAN1 required that, when considering planning applications for housing development on land not allocated in an adopted LDP, 'considerable weight' must be given to the lack of a five year housing land supply. This did not mean that development anywhere, or of any quality, was given planning permission. However, it did mean that otherwise acceptable housing development would be approved even if it were not allocated for development in the LDP. Appeal decisions in this regard were consistent and clear. To date, three such planning applications have been determined in Monmouthshire:

- Grove Farm, Llanfoist – up to 115 dwellings – outline planning permission approved;
- Rockfield Road, Monmouth – up to 70 dwellings – outline planning permission approved;
- Mounon Road, Chepstow – outline planning permission refused due primarily to its designation in the current LDP as 'Green Wedge'.

It is worth noting that had the above two approved applications been refused, our housing land supply would be 3.6 years not 3.9 years.

3.6 In July 2018, the Cabinet Secretary with responsibility for planning issued an unexpected consultation on a proposal to 'suspend' paragraph 6.2 of TAN1 for an undetermined time period, while a review of housing supply is undertaken. Monmouthshire County Council's response to that consultation was an objection. However, the Cabinet Secretary has since issued her decision, which is to suspend paragraph 6.2. The duration of this suspension is unspecified. Her letter, however, goes on to state that it is now for the decision-maker (i.e. Monmouthshire County Council as Local Planning Authority) to decide the weight to give its housing land supply shortfall. A copy of this letter is provided at Appendix 1.

3.7 This report therefore seeks to establish Monmouthshire County Council's decision on the weight to be given to our housing land supply shortfall. This will inform decision-making on planning applications for residential development on sites beyond settlement boundaries/not allocated for development in the current LDP (referred to as 'unallocated sites').

3.8 It should be noted that Council's decision on this matter relates solely to Monmouthshire Council's Local Planning Authority area: it does not apply to that part of the county that sits within the Brecon Beacons National Park. The National Park has its own LDP and is the Local Planning Authority for the Park area.

3.9 It should also be noted that this decision relates solely to proposed residential development: it does not relate to employment or retail or any other land uses.

What's the problem we're trying to fix?

3.10 Members will be familiar with some of the challenging issues and opportunities facing our communities, including:

- The increasing proportion of our population aged over 65 and over 85, increasing well in excess of the Wales average;
- The relative absence of 20-40 year olds and our median age of 48 years (compared to a median age of 34 years in Cardiff);
- The resulting impact of the above two factors on our economic base and future prospects of economic growth.

- Cardiff Capital Region City Deal and associated ambition and opportunities;
- The economic growth of the Bristol/SW region and the opportunities for Monmouthshire as a border county and its location between Bristol and Newport and Cardiff, the 'Great Western Cities';
- The imminent removal of the Severn Bridge tolls;
- Our average house price now exceeding £300,000;
- Our affordable housing waiting list of 3215 in Bands 1-5 (2073 in Bands 1–4);
- Our dual economy, with high-earning residents who work elsewhere, and a low paid workforce who lives elsewhere but work within the county;
- Associated commuting patterns, with 40% of our economically active resident population commuting out of county;
- The challenges of rural isolation and sustaining rural services;
- The wealth of social capital in our communities;
- Our well-performing schools;
- The beautiful landscapes and heritage that make Monmouthshire special

3.11 These factors will be key considerations as we develop the vision and strategy for our new LDP. However, consideration needs to be given to what we do in the interim (between now and December 2021 when the new LDP is adopted).

3.12 When considering the options, consideration should be given to the Council's purpose, as set out in the Corporate Business Plan 2018-2022, namely to help to build sustainable and resilient communities that support the wellbeing of current and future generations, together with the organisational goals of being a thriving and connected county, and a forward-looking, future-focussed Council. The Public Service Board's Well-being Assessment identified that low wages and high property prices are making it hard for families to live and work in the county. The Corporate Plan goes on to state:

"The delivery of quality, sustainable and affordable housing will help enable the retention of young people, helping combat 'brain drain' and managing the social and economic challenges associated with a rapidly ageing population." (page 14)

and

"Monmouthshire has a spectacular natural environment, a unique heritage value and a culturally rich identity. We believe that necessary growth, development, and expansion of our place, need not compromise our distinctive offer – indeed it should complement and enhance it." (page 15)

4. OPTIONS APPRAISAL

4.1 In its simplest form, Council has two options.

4.2 The first option is that we give **no weight** in our planning decisions to our lack of a five year housing land supply. This means that we retain a Plan-led system, and proposed development on sites outside of settlement boundaries and not allocated within the current LDP will be unacceptable in principle and planning permission would be refused. This option is essentially process-focused and would provide certainty to our communities in that the current LDP would be fully adhered to. Development in other areas could come forwards via the new LDP, and planning permission could be sought in 2022 onwards, however the significant disadvantage of this option is that housing delivery is significantly reduced for at least the next three years.

4.3 The second option is that we give **some weight** in our planning decisions to our lack of a five year housing land supply. This could be anywhere above 'no weight' to 'considerable weight', i.e. back to where we were in July 2018 when paragraph 6.2 still

stood. This option is essentially outcome-focused and would seek to make timely progress in tackling some of the issues identified above. The significant disadvantage of this option is that we would be departing from the current Local Development Plan in terms of where new development is located (other policies remain in force). The way in which this could be achieved is broken down into sub-options below (Section 5). The officer recommendation to Council is that we revert to giving 'considerable weight' to our lack of a five year housing land supply.

Ground rules

4.4 It is worth setting out at this juncture that this is not a matter of allowing any development anywhere. A number of 'ground rules' have been applied previously and these would remain, should Council be minded to give weight to our lack of five year housing and supply. Key examples are:

- Residential development is unacceptable in principle within undefended flood plain (zone C2) or on greenfield sites within defended flood plain (zone C1). This accords with national planning policy in TAN15. This affects some significant parts of the county, for example parts of the Gwent Levels primarily south of the B4234, and some areas around Usk and Llanfoist. This in principle policy objection would remain unchanged;
- Appeal decisions typically uphold the view that LDP 'green wedge' designations take greater weight than the housing land shortfall. Green wedges are LDP designations intended to prevent the coalescence of settlements. We have a number of such designations, for example between Undy and Rogiet, Rogiet and Caldicot, and Chepstow and Pwllmeyric. It is recommended that this stance remains unchanged: the appropriate time to review Green Wedge designations is via the new LDP;
- The development must be acceptable in other planning terms. If infrastructure is inadequate to support new development, and it cannot be satisfactorily improved via a S106 planning agreement, permission would normally be refused. This includes matters such as highway capacity, school capacity, primary health care and air quality. This stance would remain unchanged;
- An uncompromising approach has been taken to affordable housing delivery. Unallocated sites are required to deliver 35% affordable housing and no negotiation has been entertained. This stance would remain unchanged;
- Delivering sustainable development and economic growth is about more than just housing developments. It is recommended that allocated employment sites should not be released for housing development unless full compliance with LDP Policy E1 can be demonstrated. This is no change to the current position, but is specifically mentioned here to clarify that, should Council decide to give considerable weight to our lack of a five year housing land supply, this does not signal the release of employment allocations or land allocated in the LDP for other purposes;
- Consideration will be given to the extent of proposed development in relation to the associated settlement, both in its own right and cumulatively with other approved residential development and LDP allocations.

4.5 To clarify what this decision means, if Council agrees to revert to giving 'considerable weight' to our lack of a five year housing land supply when considering applications for residential development on unallocated sites, we will be accepting that there will be housing development on land not allocated for such purposes in the current, adopted LDP. However, that development must be acceptable in planning terms, such as design, layout, highway safety, air quality and infrastructure impact. All applications for residential development on unallocated sites would be advertised as 'departure applications' and would be determined by Planning Committee. Proposals for more than 150 dwellings, or on sites exceeding 6 hectares, must be notified to the Welsh Government prior to a decision being made: the Welsh Government can call-in the

applications for determination by the Minister. It is very unlikely that we will regain a five year housing land supply between now and December 2021, and so this policy decision would last for at least the next three years, until the new LDP is adopted, unless Council decides in the meantime to reverse or amend this decision.

- 4.6 The lack of a five year housing land supply is a widespread issue throughout Wales, however the reasons for it vary considerably. In Monmouthshire, the issue is predominantly one of timing: all of our strategic housing allocations will come forward with time, but they are far slower than anticipated. This means that, with time, the approval of unallocated sites would result in additional housing in total: the unallocated sites are not instead of LDP allocations, but ultimately would be in addition. However, this is beneficial in terms of seeking to address the challenges outlined at paragraph 3.10 above. Housing delivery would carry forward into the new LDP. Decisions on those applications would have to have regard to infrastructure capacity, being mindful of the additionality of the development from the unallocated site. This would be addressed in the normal way via the planning application process, and Section 106 planning contributions.

5. EVALUATION CRITERIA

- 5.1 If Council is minded to give some weight to our lack of a five year housing land supply, this will mean that, in advance of adoption of the new LDP in December 2021, planning permission would be given for residential development on some sites that are not allocated for development in the current LDP.
- 5.2 Further information is given below to seek to inform the discussion and understanding of options available, and to enable Council's decision to be evidence-based. As stated above, it is not a case of allowing anything anywhere. The Planning Committee would retain control over what is approved and what is rejected.
- 5.3 The tables at Appendix 2 and Appendix 3 break down the same data in two different ways. Appendix 2 shows housing delivery broken down by the current LDP strategy, and Appendix 3 shows the same data broken down by our three housing market areas: Southern (Chepstow, Severnside and surroundings), Central (Monmouth, Raglan, Usk, Penperlleni and surroundings), and Northern (Abergavenny, Llanfoist and surroundings). The data is as follows:
- Column 1 shows the settlement name
 - Column 2 shows the total actual number of dwellings completed (with the number of those that are affordable units shown in brackets) from the start of the current LDP period (2011) to 31st March 2018. This data is from actual physical counts of completed dwellings undertaken by Council officers;
 - Columns 3 to 5 show projections for completions for small windfall¹, large windfall² and LDP allocated sites respectively from April 2018 to the end of the Plan period, i.e. to December 2021. These are taken from projections, including the Joint Housing Land Availability trajectory and are the agreed build-out figures for each year until the LDP expires at the end of 2021 (although the figures shown run to 31st March 2022 not 31st December 2021 when the LDP expires, so they actually slightly over-predict delivery);

¹ A small windfall site is a site of fewer than 10 residential units located within a settlement boundary but not specifically allocated as an LDP development site. An example would be the conversion of the former HSBC building in Usk into apartments;

² A large windfall site is a site of 10 or more residential units located within a settlement boundary but not specifically allocated as an LDP development site. An example would be the redevelopment of the Magistrates' Court site in Abergavenny.

- Column 6 gives a total for columns 2 to 5, i.e. what has been completed and what is predicted to be completed before the LDP expires on 31st December 2021;
- Column 7 gives the LDP target for housing delivery;
- Column 8 shows the shortfall (-) or surplus (+) of housing by comparing actual completions plus projections by December 2021 with the LDP targets.

5.4 The data clearly shows a significant shortfall in housing delivery based on actual and projected delivery compared with the LDP target. Overall, by 31st December 2021 when the current LDP expires, the projections show that we will be 961 homes behind target, of which 337 are affordable homes.

5.5 If a decision were made to seek to address this housing shortfall and/or seek to address the challenges set out above, by giving weight to our lack of housing land, there are several options for an evidence-based approach.

Option 2a

5.6 The evidence clearly shows that the greatest shortfall in housing delivery (both market and affordable) has occurred in the Main Town of Chepstow and in the area of Severnside, both of which are key parts of the LDP settlement hierarchy.

5.7 One option is to allow otherwise acceptable unallocated sites here based on the current LDP's settlement hierarchy (i.e. adjacent to Chepstow and Severnside). However, likely available and acceptable options known to officers mean we would be nowhere near meeting the 961 dwelling gap. Options are limited by the suggested approach of rejecting development within Green Wedge designations and by adhering to national planning policy on flood risk, however the proposed stance on these matters is considered to be well-founded and justified.

Option 2b

5.8 The evidence clearly shows that the greatest shortfall in housing delivery (both market and affordable) has occurred in the Southern local housing market area, primarily Chepstow and in Severnside.

5.9 One option is to allow otherwise acceptable unallocated sites within the Southern local housing market area. However, as above, likely available and acceptable options known to officers mean we would be nowhere near meeting the 961 dwelling gap.

5.10 For the two options above, the choice is then to either seek to address the shortfall as far as possible within Chepstow and Severnside, or within the Southern local housing market area respectively, accepting that this does little to address the housing land supply shortfall, or to look to other areas of the county to be part of the solution. It is worth noting that the affordability challenges and growth pressures/opportunities are county-wide, albeit growth pressures are greatest in the south of the county.

Option 2c

5.11 If the decision were made to look beyond Chepstow and Severnside, to make a bigger impact in addressing the housing land shortfall, one option is to stick to the current LDP spatial strategy. Following the LDP spatial strategy and settlement hierarchy would see development focused primarily on the three main towns of Chepstow, Abergavenny and Monmouth; followed by Severnside; followed by the Rural Secondary Settlements of Llanfoist, Penperlleni, Raglan and Usk, and then the main villages. It is worth noting that the only development allocated within the LDP in main villages is 60% affordable housing sites of between 5 and 15 dwellings. It should also be noted that Llanfoist has already had permission granted for up to 115 additional

dwellings outside of the LDP, and consideration should be given to whether or not additional development outside of the next LDP in Llanfoist would be unreasonable.

Option 2d

- 5.12 Alternatively, if the decision were made to look beyond Chepstow and Severnside, to make a bigger impact in addressing the housing land shortfall, another option is to move progressively northwards, addressing the greatest growth pressures as close to the south of the county as our geography and settlement patterns allow. This would effectively mean that a level of development is considered in Rural Secondary Settlements such as Raglan, Usk, Penperlleni and Llanfoist, before the main towns of Abergavenny and Monmouth. As stated above, it should be noted that Llanfoist has already had permission granted for up to 115 additional dwellings outside of the LDP, and consideration should be given to whether or not additional development outside of the next LDP in Llanfoist would be unreasonable.

Option 2e

- 5.13 One final option would be a hybrid of the above options, namely to allow otherwise acceptable development on unallocated sites throughout the county, with the extent of housing reflecting the current LDP's spatial strategy as set out above. In other words, the Main Towns would see a greater level of potential growth, followed by Severnside, then Rural Secondary Settlements, with a slightly greater provision in the latter category than under option 2c, given their proximity to the south of the county. As stated above, consideration should be given to whether or not additional development outside of the next LDP in Llanfoist would be unreasonable.

Dwr Cymru Welsh Water Infrastructure

- 5.14 Taking this approach would give the best chance of tackling the housing shortfall. It would mean that some areas that have effectively delivered on their LDP housing allocations potentially have some more development to help support the county as a whole. It should be noted that there is an issue with drainage capacity in Monmouth including Wyesham, meaning that Dwr Cymru Welsh Water has advised that it would object to new development in those areas unless infrastructure upgrades are provided. The chances of those upgrades being delivered quickly, in order to assist with the housing shortfall in the short term, are slim. Consequently, the extent to which Monmouth and Wyesham can assist with housing delivery in the short term is limited.

Development adjacent to Main Villages (60/40 sites)

- 5.15 In order to help support and sustain our rural communities and deliver much-needed affordable housing, the adopted LDP allocates small (5 to 15 dwelling) sites within Main Villages, of which 60% must be affordable housing. This policy was drafted acknowledging that, although national planning policy allows for 100% rural exception affordable housing sites, finances means these rarely happen. The success of this policy approach, which is unique to Monmouthshire, will be reviewed as part of the new LDP work. In the interim, it is recommended that the level of development adjacent to Main Villages via unallocated sites is restricted to only those main villages, as defined in the LDP, that do not have a current housing allocation, namely St Arvans and Llandogo, and that the 60% affordable housing requirement remains. Officers consider that the new LDP is the appropriate time to consider whether or not there should be additional development in Main Villages that already have an allocation. Similarly, to adjust the 60% policy requirement now would be unfair on those developers that have already come forward, and would prejudice any review of that policy for the new LDP.
- 5.16 As a reminder, option 1 set out above was 'do nothing'. Although this maintains the Plan-led approach, which is the ideal scenario in terms of process and community engagement, it does not assist in addressing the challenges of affordability and economic growth, or grasping those current opportunities, in advance of the new LDP.

Officer recommendation:

5.17 It is therefore recommended that Council agrees to give **considerable weight** to our lack of a five year housing land supply. In considering planning applications for residential development on unallocated sites, decisions should be evidence based, considering the LDP spatial strategy and growth focus in the south of the county, as set out in **option 2e**. Proposals must still be acceptable in planning terms, and the 'ground rules' set out in paragraph 4.4 apply, namely:

- Residential development is unacceptable in principle within undefended flood plain (zone C2) or on greenfield sites within defended flood plain (zone C1), as per national planning policy and TAN15;
- Residential development is unacceptable in principle within allocated Green Wedges: the appropriate time to review Green Wedge designations is via the new LDP;
- Residential development is unacceptable in principle on allocated employment sites. Such sites will not be released for housing development unless full compliance with LDP Policy E1 can be demonstrated and there is no realistically likely future demand for the site for employment purposes;
- Unallocated sites are required to deliver 35% affordable housing and no negotiation will be entertained (60% where the development relates to a Main Village);
- The development must be acceptable in other planning terms. If infrastructure is inadequate to support new development, and it cannot be satisfactorily improved via a S106 planning agreement, permission would normally be refused. This includes matters such as highway capacity, school capacity, primary health care and air quality;
- The scale of additional residential development will be considered in the context of the LDP spatial strategy, both in its own right and cumulatively with other approved residential development.
- Development should be restricted to the Main Towns, Severnside, and Rural Secondary Settlements (with the exception of Llanfoist where there shall be no additional development on unallocated sites outside of the new LDP); and small 60% affordable housing sites in those Main Villages without an allocated site (namely St Arvans and Llandogo).

6. REASONS:

6.1 If we are serious about addressing the challenges of affordability and economic growth, 'do nothing' is not a sensible or viable option. We will not close the 961 dwelling gap by the end of 2021, however giving considerable weight to our housing land supply shortfall, and following option 2e) gives us the best chance of achieving it. It would also mean that we start our new LDP period with development activity ongoing, compared to the significant lead-in time experienced with the current LDP before sites progressed. Proposals must still be acceptable in other planning terms, and this is not a case of any development anywhere: the ground rules set out in paragraph 5.17 above apply. Communities would be engaged via the planning application process. The scale of development will need to be carefully considered in the context of the capacity of the settlement, the level of growth allowed via the LDP, and any decisions already made for unallocated sites (with particular reference at present to Llanfoist). The 'ground rules' set out above (paragraph 5.17) provide further reassurance and safeguards to the proposals to be supported via the planning application process. The benefits of addressing the affordability and economic growth challenges are considered to outweigh the strict 'Plan-led' approach during these unprecedented times.

7. RESOURCE IMPLICATIONS:Page 268

7.1 Officer time and costs associated with the consideration of planning applications will be met within existing budgets.

8. WELL-BEING OF FUTURE GENERATIONS IMPLICATIONS:

Sustainable Development

8.1 The concept of sustainable development is at the core of the planning system and should be central to decisions made. The LDP was subject to a Sustainability Appraisal (SA), the purpose of which was to assess the extent to which planning policies would help to achieve the wider environmental, economic and social objectives of the LDP. This was supplemented by the Strategic Environmental Assessment. It is recognised that this proposal would see planning applications being considered for sites that are not allocated in the LDP, and therefore have not gone through that rigorous appraisal process. However, the planning applications themselves would continue to be assessed against the LDP's policies, and this would include consideration of the environmental, social, economic and cultural impact of the proposed development.

8.2 There is inevitably a degree of conflict between the preferences of many people within our existing communities with our need and desire to address the needs of current and future generations (for example home owners with a pleasant view from their home versus people in need of a safe, efficient and affordable home. The recommendation seeks to take a long term and outcome-focussed approach, integrating the opportunities and challenges identified via the Wellbeing Assessment and seeking to prevent the worsening of the affordability challenge that is having a very real impact on our communities, our demography and therefore our economic sustainability. It is acknowledged that the extensive community engagement possible via the LDP process would by definition not be possible as a result of the proposed decision, because proposed sites would come forward outside of the LDP process. However, this is mitigated by the consultation required for the planning applications, which for schemes of 10 or more dwellings will also include pre-application community engagement by the developer in addition to consultation by the Council.

8.3 Future Generations Evaluation (including equalities and sustainability impact assessment) is attached to this report at Appendix 4.

Equalities

8.4 The proposed recommendation to give considerable weight to our lack of a five year housing land supply is intended to support housing delivery, in part to support the delivery of affordable housing which supports all age groups but in particular supports those who are economically disadvantaged, and partly to help address our demographic challenge, which would indirectly benefit our younger people by delivering housing to provide options to support the retention of younger people. However, the housing would not be reserved for people of any particular age group, and there is no legitimate or appropriate way to enforce such a control. The proposed recommendation is intended to promote equality of opportunity and access to housing.

Safeguarding and Corporate Parenting

8.5 There are no safeguarding or corporate parenting implications arising directly from this report or its recommendation.

9. CONSULTEES

- Colleagues within the planning service have been engaged via team meeting discussions to consider an evidence base for decision-making. The draft Council

report has been circulated for comment. The team supports the recommendation as the best way of achieving the desired outcome, namely housing delivery, subject to the proposed ground rules;

- Planning Committee has been provided with an initial brief on the options for information only;
- Economy and Development Select Committee and Adults Select Committee held a joint meeting on 7th September 2018, with an open invitation to all Members, to discuss this matter. The main feedback is provided via the Chair's Summary:

It was felt that the current plan has not delivered what we had hoped for in terms of housing and it was asked whether Members felt we should continue with the plan as is.

The need for affordable housing across the county is great and is needed now. It was felt that we as an authority should not take forward such a shortfall without attempting to do something in the interim.

After looking at smaller development sites it was suggested that smaller developers could possibly help us with a solution.

In terms of the LDP review we must challenge the sixty forty concept and consider the affordability factor. We must be mindful of infrastructure challenges, with particular attention to the south east of the county in terms of being impacted by the Forest of Dean and Gloucestershire.

Practical infrastructure such as cemeteries were of particular concern.

In regard to the officer's recommendations, option 2E, a hybrid option was felt to be the most favourable.

Upon being put to the vote (for the purpose of understanding whether or not there was a consensus of opinion from the Select Committee) the following votes were recorded;

For - 8

Against - 1

Abstentions – 1

10. BACKGROUND PAPERS:

Appendix 1: Letter from Welsh Government Cabinet Secretary dated 18th July 2018

Appendix 2: Housing delivery projections shown by LDP strategy and settlement hierarchy

Appendix 3: Housing delivery projections shown by local housing market area

Appendix 4: Well-being Assessment

11. AUTHORS & CONTACT DETAILS:

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Lesley Griffiths AC/AM
Ysgrifennydd y Cabinet dros Ynni, Cynllunio a Materion Gwledig
Cabinet Secretary for Energy, Planning and Rural Affairs

Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: Housing

To: Heads of Planning
(CC: PINS & HBF)

18 July 2018

Dear Colleague,

On 10 May I announced my intention to undertake a wide-ranging review into the delivery of housing through the planning system. This was in response to the current housing land supply position and directly related to the under delivery of Local Development Plan (LOP) housing requirements.

As an initial part of the wide-ranging review, I am issuing a 'Call for Evidence' to explore ways the planning system can assist in increasing the delivery of new homes in sustainable locations. The 'Call for Evidence' starts today, 18 July, and will run for a 12 week period.

The 'Call for Evidence' provides stakeholders with the opportunity to put forward views and proposals, supported by evidence, to address housing land supply and delivery issues. However, I believe the following overarching principles apply and should be addressed through the evidence submitted:

- Planning decisions must be based on an up-to-date development plan - the plan-led approach to development management;
- Housing requirements should be based on evidence and all sites identified to meet the requirement must demonstrate they are deliverable;
- Monitoring arrangements and any associated actions must reinforce the plan-led approach to development management.

Bae Caerdydd • Cardiff Bay
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

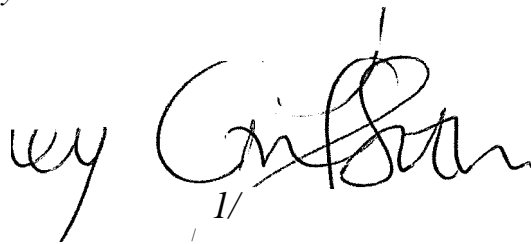
As a result of the current housing land supply position across Wales some Local Planning Authorities (LPAs) are receiving 'speculative' applications for housing on sites not allocated for development in LDPs. This is generating uncertainty for communities and is to the detriment of the plan-led system. Therefore, in support of the review and to alleviate some of the immediate pressure on LPAs, I have decided to dis-apply paragraph 6.2 of Technical Advice Note (TAN) 1, *Joint Housing Land Availability Studies*, following the consultation on this matter. This removes the paragraph which refers to attaching "considerable" weight to the lack of a 5-year housing land supply as a material consideration in determining planning applications for housing.

As a result of the dis-application of paragraph 6.2 of TAN 1, it will be a matter for decision makers to determine the weight to be attributed to the need to increase housing land supply where an LPA has a shortfall in its housing land.

The dis-application of paragraph 6.2 of TAN 1 takes effect from 18 July 2018. The planning applications affected will include all those which have been made but not determined by the relevant authority. The dis-application will not apply to planning applications where it has been resolved to approve subject to the signing of a section 106 agreement.

I would encourage anyone with an interest in increasing housing delivery to meet the needs of communities across Wales to respond to the 'Call for Evidence'.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lesley Griffiths', with a vertical line to the right of the signature.

Lesley Griffiths AC/AM (

Ysgrifennydd Cabinet dro Cynllunio a Materion Gwledig
Cabinet Secretary for Energy, Planning and Rural Affairs

Appendix 2: Housing delivery projections shown by LDP strategy and settlement hierarchy

	Completions 2011 - 2018	Small Site Windfalls 2018 – 2021	Large Site Windfalls 2018 - 2021	Allocated Site Completions 2018- 2021	Total	LDP Target 2011 – 2021	
Abergavenny	179 (56)	25	45 (16)	230 (67)	479 (139)	566 (181)	-87 (-42)
Chepstow	135 (26)	31	135 (6)	150 (15)	451 (47)	675 (155)	-224 (-108)
Monmouth	367 (62)	47	81 (29)	377 (127)	872 (218)	825 (218)	47 (=)
MAIN TOWNS	681 (144)	103	261 (51)	757 (209)	1802 (404)	2066 (554)	-264 (-150)
Caldicot	214 (56)	11	25 (25)	0 (0)	250 (81)	210 (81)	
Portskewett	29 (0)	0	0 (0)	120 (30)	149 (30)	324 (71)	
Magor Undy	118 (18)	8	0 (0)	273 (69)	399 (87)	631 (142)	
Gerwent	133 (26)	6	0 (0)	0 (0)	139 (26)	152 (26)	
Rogiet	37 (33)	5	11 (0)	0 (0)	53 (33)	53 (33)	
Sudbrook	13 (0)	1	46 (15)	133 (15)	193 (30)	244 (63)	
SEVERNSIDE	544 (133)	31	82 (40)	526 (114)	1183 (287)	1614 (416)	-431 (-129)
Usk	15 (0)	11	0 (0)	20 (7)	46 (7)	53 (7)	-7 (=)
Raglan	24 (11)	4	0 (0)	45 (16)	73 (27)	75 (27)	-2 (=)
Penperlleni	7 (0)	5	0 (0)	65 (23)	77 (23)	122 (25)	-45 (-2)
Llanfoist	244 (29)	7	80 (28)	0 (0)	331 (57)	245 (57)	86 (=)
RSS	290 (40)	27	80 (28)	130 (46)	527 (114)	495 (116)	32 (-2)
RURAL	267 (23)	88	39 (7)	90 (53)	484 (83)	782 (141)	-298 (-58)
TOTAL	1782 (340)	249	462 (126)	1503 (422)	3996 (888)	4957 (1225)	-961 (-337)

Appendix 3: Housing delivery projections shown by local housing market area

	Completions 2011 - 2018	Small Site Windfalls 2018 - 2021	Large Site Windfalls 2018 - 2021	Allocated Site Completions 2018-2021	Total	LDP Target 2011 - 2021	
Housing Market Area: South - (AH need June 2017 Bands 1-4: General Needs 767 + OAP and Adapted 216 = 983)							
Main Towns:							
Chepstow	135 (26)	31	135 (6)	150 (15)	451 (47)	675 (155)	-224 (-108)
Severnside:							
Caldicot	214 (56)	11	25 (25)	0 (0)	250 (81)	210 (81)	
Portskewett	29 (0)	0	0 (0)	120 (30)	149 (30)	324 (71)	
Magor Undy	118 (18)	8	0 (0)	273 (69)	399 (87)	631 (142)	
Cerwent	133 (26)	6	0 (0)	0 (0)	139 (26)	152 (26)	
Rogiet	37 (33)	5	11 (0)	0 (0)	53 (33)	53 (33)	
Stbrook	13 (0)	1	46 (15)	133 (15)	193 (30)	244 (63)	
SEVERNSIDE TOTAL	544 (133)	31	82 (40)	526 (114)	1183 (287)	1614 (416)	-431 (-129)
Housing Market Area: Monmouth and Central- (AH need June 2017 Bands 1-4: General Needs 400 + OAP and Adapted 178 = 578)							
Main Towns:							
Monmouth	367 (62)	47	81 (29)	377 (127)	872 (218)	825 (127)	47 (=)
Rural Secondary Settlements:							
Usk	15 (0)	11	0 (0)	20 (0)	46 (7)	53 (7)	-7 (=)
Raglan	24 (11)	4	0 (0)	45 (16)	73 (27)	75 (27)	-2 (=)
Penperlleni	7 (0)	5	0 (0)	65 (23)	77 (23)	122 (25)	-45 (-2)
Housing Market Area: Abergavenny - (AH need June 2017 Bands 1-4: General Needs 554 + OAP and Adapted 228 = 782)							
Main Towns:							
Abergavenny	179 (56)	25	45 (16)	230 (67)	479 (139)	566 (109)	-87 (-42)
Rural Secondary Settlements:							
Llanfoist	244 (29)	7	80 (28)	0 (0)	331 (57)	245 (0)	86 (=)

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Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

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<p>Name of the Officer completing the evaluation Mark Hand</p> <p>Phone no: 01633 644803 E-mail: markhand@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To take positive and pragmatic action to address the shortfall of housing land within Monmouthshire, which is manifested by a shortfall in the delivery of market and affordable housing within the adopted LDP period (to end of 2021). By giving the housing land supply shortfall 'considerable weight', the Council is accepting that planning applications for residential development on unallocated sites would be considered acceptable in principle, subject to the ground rules set out in paragraph 5.17 of the Council report.</p> <p>The overall objective is to reduce the shortfall in housing delivery, thereby increasing provision of both market and affordable housing, with the intentions of starting to address the demographic challenges faces our communities, and the associated economic and social challenges.</p>
<p>Name of Service</p> <p>Planning</p>	<p>Date Future Generations Evaluation form completed</p> <p>11/09/2018</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>Positive: The proposal seeks to increase housing delivery and help retain our younger people, who evidence from the Well-being Assessment shows are leaving the County, with resulting social, demographic and economic implications.</p> <p>Negative: None.</p>	<p>The ground rules set out that, although housing development will be supported in principle, this will not be at the expense of retaining allocated employment sites.</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>Positive: None. It is acknowledged that the recommendation would see the development of sites not allocated for development in the adopted LDP. However, environmental protection, ecology and green infrastructure planning policies will remain applicable.</p> <p>Negative: None. Environmental protection, ecology and green infrastructure planning policies will remain applicable.</p>	<p>The proposed 'ground rules' would protect designated Green Wedges from development. Applications for major development would need to be accompanied by Landscape Visual Impact Assessments and GI opportunity and constraint plans. Sustainable development principles continue to apply.</p>
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Positive: There is a clear, evidenced link between access to safe, efficient and affordable housing to physical and mental well-being.</p> <p>Negative: None.</p>	<p>LDP policies that seek to protect important public amenity space would continue to apply, as would requirements for new development to provide for new leisure facilities to meet the increased demand arising from the new development.</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>Positive: None.</p> <p>Negative: None.</p>	<p>There is potentially for appropriate levels of development to help sustain communities. New development would have to consider infrastructure capacity and connectivity. Proposals for new development can be divisive in communities, between those with a home and happy with their</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?
		surroundings, and those unable to afford a home within their community.
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>Positive: None. Negative: None.</p>	The proposals are unlikely to have more than a local impact.
<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>Positive: None. Negative: None.</p>	<p>Planning policies seeking to protect the best of our cultural heritage and historic built environment would continue to apply, as would the statutory tests relating to conservation areas and Listed Buildings. The county has a low proportion of Welsh speakers and there are no communities identified where new development would threaten or diminish a predominantly Welsh-speaking community or culture.</p> <p>The implementation of GI and recreation policies would secure opportunities for new and existing residents to take part in sport and leisure recreation activities.</p>
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>Positive: The recommendation is intended to secure the increased delivery of both market and affordable housing. This will help ensure people who wish to remain living in Monmouthshire stand a better chance of being able to do so. Addressing our demographic imbalance will help provide a stronger population base for economic growth, providing greater opportunities again via job creation and prosperity.</p> <p>Negative: None.</p>	The proposed ground rules seek to protect allocated employment sites, to ensure housing delivery is not at the expense of job creation.


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2. 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>Long-term</p> <p>Balancing short term need with long term and planning for the future</p>	<p><i>We are required to look beyond the usual short term timescales for financial planning and political cycles and instead plan with the longer term in mind (i.e. 20+ years)</i></p> <p>The recommendation proposes an interim solution to housing delivery in advance of the long term solution being delivered by the new LDP.</p>	<p>By taking action about housing delivery now, we are seeking to avoid the long term problem worsening.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The recommendation seeks a pragmatic response to the housing delivery problem and has been proposed following discussions with developer partners around the wider housing delivery topic on a regional basis. Part of the solution lies with SME builders and smaller sites, which has local economic benefits. It is acknowledged that the collaboration and community engagement secured via the LDP process would not be part of this interim solution, however there would be community and stakeholder engagement on a site by site basis via the planning application process.</p>	

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Involving those with an interest and seeking their views</p>	<p><i>Who are the stakeholders who will be affected by your proposal? Have they been involved?</i></p> <p>The recommendation seeks a pragmatic response to the housing delivery problem and has been proposed following discussions with developer partners around the wider housing delivery topic on a regional basis. Input has been sought from colleagues within the Planning Service, and from elected members via Planning Committee and Select Committee briefings. It is acknowledged that the collaboration and community engagement secured via the LDP process would not be part of this interim solution, however there would be community and stakeholder engagement on a site by site basis via the planning application process.</p>	<p>Proposals for 10 or more dwellings must be subject to a pre-application community consultation by the developer, which will provide a degree of additional community engagement. There are flaws in the way the regulations require that process to work, in that it is geared to being at an advanced stage of the process, however officers will encourage developers to engage with communities at an earlier stage.</p>

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The proposal to give considerable weight to our housing land supply shortfall is made with the primary intention of preventing our housing, and in particular affordable housing, problems getting worse. It is considered that the alternative option, namely giving no weight to our housing land shortfall and seeking to tackle the issue via our new LDP is procedurally preferable and supports a Plan-led system, however it means housing supply is significantly restricted for the next three years, plus the lead-in time for new LDP sites to come forward (experience from the current LDP shows this has typically been a further 3 years). That level of time delay will not only mean that the availability of housing gets worse, but means we do not start to address our demographic challenges and associated economic weakness, potentially missing out on opportunities arising from Cardiff Capital Region City Deal and from the SW of England.</p>	<p>The whole premise of the recommendation is to take action now to seek to prevent the housing supply problem getting worse.</p>

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Positively impacting on people, economy and environment and trying to benefit all three</p>	<p><i>There is space to describe impacts on people, economy and environment under the Wellbeing Goals above, so instead focus here on how you will better integrate them and balance any competing impacts</i></p> <p>The proposal seeks to tackle the housing supply challenge. This will result in the delivery of much needed market and affordable housing, supporting our communities. Evidence shows that access to safe, efficient and affordable housing is directly linked to physical and mental well-being. Addressing the housing supply shortfall will help address our demographic imbalance and the loss of 20-40 year olds from the county, and will help support our economic base by growing our economically active workforce. The development of further sites will inevitably result in the loss of greenfield sites, because the county has very few brownfield development opportunities. However, planning policies and the proposed ground rules will ensure high quality development that protects the best of our built and natural environment. There is likely to be increased out-commuting for a period until such time as our economic base is strengthened and employers locate within the county. However, this challenge would arise whether the housing supply issue is tackled now or via the new LDP.</p>	<p>LDP planning policies and the proposed ground rules will ensure high quality development that protects the best of our built and natural environment. The proposal is not a case of allowing anything anywhere.</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	Access to appropriate and affordable housing is affecting all age groups. Many younger people cannot access housing within the county, and older people who may wish to 'right size' are also limited in their options, meaning those in the middle are unable to step up the housing ladder.	None	The Council can directly influence the mix of affordable housing to address identified need within that locality.
Disability	Modern housing must meet access requirements stipulated by Building Regulations, and affordable housing must meet Design Quality Requirements. Consequently, the new housing stock will be better suited to people with physical disabilities than old housing stock. Access to safe, efficient and affordable housing is known to directly benefit physical and mental well-being.	None	N/A
Gender reassignment	None	None	N/A
Marriage or civil partnership	None	None	N/A
Race	None	None	N/A

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	None	None	N/A
Sex	None	None	N/A
Sexual Orientation	None	None	N/A
Welsh Language	The Welsh language is a material planning consideration. However, Monmouthshire does not have any predominantly Welsh-speaking communities that would be threatened by new development.	None	N/A

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	None	None	N/A
Corporate Parenting	None	None	N/A

5. What evidence and data has informed the development of your proposal?

The proposal has been informed by the findings of the LDP Annual Monitoring Reports (2015, 2016 and 2017), the Joint Housing Land Availability study (which includes trajectories for progress of approved housing developments and LDP allocations), and the Public Service Board's Well-being Assessment. Officer discussions and Member seminars have been held to discuss issues and concerns to help shape the recommendation.

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?

This section should give the key issues arising from the evaluation which will be included in the Committee report template.

Positive - The recommendation seeks a pragmatic response to housing supply. We know that we have a shortfall of available housing land to meet the growth target identified in the adopted LDP. We have the highest average house prices in Wales, and a significant need for affordable housing. We have an imbalanced demography, with 20-40 year olds leaving the county, in part due to the lack of housing and employment opportunities (it is acknowledged that lifestyle choices are also a factor). Our median age of 48 and small economically active population mean we are not in a strong position economically. The recommendation seeks to play a part in addressing those issues, which are core to the sustainability and success of the county's communities going forward.

Negative – In an ideal world, we would have a Plan-led system and all significant development would come forward via the new LDP. However, the benefits of that procedural approach are considered to be outweighed by the harm caused by significantly restricting housing development for at least the next three years. The new LDP cannot be produced more quickly, and the agreed timetable is already challenging. The proposal inevitably means some development on greenfield sites, however planning policies and the proposed ground rules will ensure that development is sustainable and that the best of our built and natural environment, along with the amenities of existing communities, are respected. Site specific matters would be considered via the planning application process and Planning Committee decision.

There are no implications, positive or negative, for corporate parenting or safeguarding.

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
<p>Seek approval from Council for the proposed recommendation, namely to give our housing land shortfall 'considerable weight' when considering planning applications for residential development on unallocated sites, in advance of the new LDP. The proposed ground rules have been drafted to seek to best shape and manage those development proposals.</p>	<p>Council 20th September, with the decision implemented with immediate effect.</p>	<p>Head of Planning, Housing and Place-Shaping Planning Team</p>	

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:	Review approvals and housing completions annually, via the LDP annual monitoring report and Joint Housing Land Availability Study (JHLAS) processes. JHLAS: annually in April AMR: annually by September, reported to Economy and Development Select Committee by end October
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Public Document Pack Agenda Item 12

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held
on Thursday, 26th July, 2018 at 2.00 pm

PRESENT: County Councillor P. Clarke (Chairman)
County Councillor S. Woodhouse (Vice Chairman)

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

OFFICERS IN ATTENDANCE:

Paul Matthews	Chief Executive
Kellie Beirne	Deputy Chief Executive
Peter Davies	Chief Officer, Resources
Nicola Perry	Senior Democracy Officer
Sheila Parker	Deputy Head of Legal Services
Ian Saunders	Head of Tourism, Leisure, Culture and Youth

APOLOGIES:

County Councillors G. Howard, D. Jones, S. Jones, J.Becker, L.Brown and A.Davies

2. Declarations of interest

County Councillor V. Smith declared a non-prejudicial interest as a member of Monmouthshire Housing Association.

3. Chairman's announcement and receipt of petitions

County Councillor R. Greenland read a statement regarding the Council's street furniture policy and explained that for some time disability groups have been lobbying the Council for some time, and over the last couple of years we had received 57 complaints about obstructions in the highway. He confirmed that charges had been introduced to cover the administration of the policy but it was accepted that at this difficult time and had therefore asked officers to not collect the charges. Permits would continue to be granted to allow control of obstructions in the highway. Cabinet will meet in autumn to formally withdraw the charges in the policy.

County Councillor D. Blakebrough presented a petition of over 1400 signatures asking that the Council reconsider their decision to axe the 65 bus service.

County Council R. Roden presented a petition on behalf of local residents regarding traffic flow and pedestrian safety on Hereford Road, Monmouth.

4. Public open forum

None.

5. To confirm the minutes of the meetings of County Council:

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Minutes of the meeting of County Council held on Thursday, 26th July, 2018 at 2.00 pm

5.1. 21st June 2018

The minutes of the meeting of Council held on 21st June 2018 were approved and signed by the Chairman.

5.2. 6th July 2018

The minutes of the meeting of Council held on 6th July 2018 were approved and signed by the Chairman.

6. To note the minutes of the Democratic Services Committee meetings:

6.1. 23rd April 2018

Noted.

6.2. 4th June 2018

Noted.

7. To note the minutes of the Audit Committee 24th May 2018

Noted.

8. REPORTS OF CHIEF OFFICER, ENTERPRISE

8.1. PRESENTATION TO COUNCIL: STOCK TRANSFER - THE FIRST 10 YEARS

The Chairman welcomed Mr. J. Keegan of Monmouthshire Housing Association who was in attendance to provide a 10 year update to Council.

During discussion the following points were noted:

- All developments have a range of properties within them, based on demand in the area.
- There are MHA officers dedicated to social isolation, who would bring in other agencies to ensure interaction with the local community.
- With regards to specific ward issues, the Chairman suggested a separate meeting be arranged to discuss.
- Following a restructure, Mr. Keegan will ensure that housing officers will write to respective Members as a way of introduction.
- In response to concerns regarding the lack of development in the north of the County, it was confirmed that lack of availability was a general issue.
- Parking at older developments remains an issue, and communal parking is a necessity due to increase in car ownership.
- With regards to income from solar panels it was suggested that a percentage return should be provided to residents. An MHA business plan states it will take 20 years to pay for the panels.
- Mr. Keegan sits on many health groups and provides housing advice through ABUHB. He welcomed further information on such groups.
- Members reflected on house prices, and the earnings to price ration of 8:1.

The Chairman thanked Mr. Keegan for his presentation and attendance.

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8.2. GOVERNANCE ARRANGEMENTS FOR PROPOSED ALTERNATIVE DELIVERY MODEL FOR TOURISM, CULTURE, LEISURE AND YOUTH

The Cabinet member presented a report of the draft documentation for the proposed Governance arrangements and Framework, for the MonLife group companies that form the proposed Alternative Delivery Model (ADM) for Tourism, Culture, Leisure and Youth Services.

The Cabinet Member wished to add a recommendation:

That one Member from the controlling group and one Member from the opposition be appointed to the board of the Charity and Trading Company, and a small panel be established consisting of the Chief Executive, Leader of the Council and Leader of the Opposition to make those appointments.

The following concerns were raised:

There was unease around the governance structure of the teckal company, given the critical nature and it being tax payers' money on the line it was considered unacceptable.

Further clarity was sought around articles of association.

It was clarified that the governance arrangements referred to the associated board make up and processes. Legal documentation would be brought forward for scrutiny and final approval in October 2018.

The Leader of the Opposition confirmed that until opposition had a role in the teckal company they would not support it.

Chief Officer for Resources agreed that detail of scrutiny of the governance arrangements be included in future correspondence.

The Chair of Economy and Development Select confirmed that a scrutiny meeting would take place in September 2018. This was expected to be an all-day session, open to all Members.

The Lead Officer for the ADM confirmed that services are not sustainable in their current fashion, and there is a large section in the business case of how it is intended to carry out services in a different way. Benefits should be seen early on in the new model. There were frustrations that this was not set out clearly in the report.

Fees and charges would be clearly outlined in the final document.

Upon being put to the vote, Council resolved to agree the recommendation:

For: 28

Against: 9

MONMOUTHSHIRE COUNTY COUNCIL

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To approve the proposed Governance arrangements for the Mon Life group of companies, in order to initiate the shadow recruitment process of Company Directors. These actions are prior to final Council consideration in October 2018 to endorse the transfer documentation and agreement and subsequently to enact company operation in December 2018.

That one Member from the controlling group and one Member from the opposition be appointed to the board of the Charity and Trading Company, and a small panel be established consisting of the Chief Executive, Leader of the Council and Leader of the Opposition to make those appointments.

9. REPORT OF CHIEF OFFICER, RESOURCES

9.1. AUDIT COMMITTEE ANNUAL REPORT

Council received the Audit Committee Annual Report.

The Chairman thanked Mr. P. White for his continued with Audit Committee.

Council resolved to accept the report.

10. REPORTS OF THE CHIEF OFFICER SOCIAL CARE, SAFEGUARDING AND HEALTH

10.1. SAFEGUARDING EVALUATIVE REPORT APRIL - OCTOBER 2017

Council were presented with a report, the purpose being:

- To evaluate the progress of Monmouthshire County Council's key safeguarding priorities during 2017/18, using identified measures to highlight progress, identify risks and set out clear improvement actions and priorities for further development.
- To inform Members about the effectiveness of safeguarding in Monmouthshire and the work that is in progress to support the Council's aims in protecting children and adults at risk from harm and abuse.
- To inform Members about the progress made towards meeting the standards in the Council's Corporate Safeguarding Policy approved by Council in July 2017

During discussion the following points were noted:

Further information was requested around the increasing trend that children are feeling unsafe. The Head of Children's services explained that it was not a question posed to the population as a whole but focused on a specific group of children. There are lots of measures that tell a contrasting story, and it is hoped that these responses would come out in conversations with their individual social workers.

Frustrations were expressed that the report was not complete, and there were significant areas for improvement.

Upon being put to the vote Council resolved to agree the recommendations:

- **To receive and endorse Safeguarding Evaluation Report**

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- **To note the key safeguarding risks and approve the priority improvement actions identified within the Whole Authority Safeguarding Action Plan.**

10.2. DIRECTOR OF SOCIAL SERVICES ANNUAL REPORT 2017/18

Council received the Annual Report of the Statutory Director of Social Services for 2017/2018.

The Chief Executive agreed to take any questions and refer to the previous Chief Officer. The current Chief Officer for Social Services is satisfied with the report.

It was recognised that there is further work to be done around the recruitment of foster carers.

Reassurance was sought around the data in the report, particularly children's responses, and being in the bottom quartile. The Chief Executive accepted the challenge as appropriate and expected to see improvement in the next reporting period.

The Chair of Children and Young People Select highlighted the importance of complete reports coming before scrutiny committees, rather than draft, incomplete reports.

We resolved to approve the recommendations:

- That Council consider and endorse the analysis of performance and impact of adult and children's well-being, social care and health services over the last financial year.
- That Council consider and endorse the 2018/19 priorities for improvement in social care and health.

11. NOTICES OF MOTION:

11.1. From County Councillor A. Easson

Motion withdrawn.

12. From County Councillor D. Batrouni

This Council notes that:

- *The UK government's Social Mobility report highlighted affluent areas are failing poorer children;*
- *There are areas of severe deprivation in the county and that this Council is determined to ensure that people who live in these areas are not left behind;*
- *One of the biggest factors on influencing the future of children is the level of income by household;*
- *Monmouthshire has one of the lowest incomes for residents who live and work in Monmouthshire.*

Therefore, this Council will write to the Welsh Government asking whether they are considering a pilot study of Universal Basic Income policy like the Scottish government, and, if so, that we make a strong case for Monmouthshire to be one of the test pilot areas.

County Councillor Harris seconded the motion.

During debate:

Councillor John recognised there are pockets of deprivation in Monmouthshire which represent significant challenge but highlighted issues with the motion. He added that dealing with poverty starts with education, and is not about handing out free money.

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It was stressed that the motion is asking for us to give consent to write to Welsh Government, and should be supported.

There was disappointment around the lack of support from the Cabinet Member, and lack of recognition that this motion is not just about education.

There were concerns that this could deprive the poor of much needed targeted support.

Upon being put to the vote the following votes were recorded:

For:	15
Against	22

The motion was defeated.

The meeting ended at 5.35 pm